

# EPCES NEWS

Volume : 28 Issue : 17

April - June 2024

## Shri Piyush Goyal

Assumes Charge of  
Ministry of Commerce & Industry



  
WORLD FREE ZONES  
ORGANIZATION

## AICE 2023

9th World FZO Annual International Conference and Exhibition



10<sup>th</sup> World FZO World Congress – Unlocking the Investment  
Avenues of the Next Decade to be Held on 23-25 September 2024 in Dubai

## Special Economic Zones Goods Exports

(in Mn USD)

Rank	ZONE	F.Y. 2023-24	Jun-23	Jun-24	Growth (%)	Apr-June 2023	Apr-June 2024	Growth (%)	% Share
1	Kandla SEZ	35,433	2,803	2,461	-12%	8,097	8,816	9%	53%
2	Vishakhapatnam SEZ	8,563	647	872	35%	1,742	2,959	70%	18%
3	SEEPZ Mumbai	6,058	477	462	-3%	1,305	1,352	4%	8%
4	Falta SEZ	3,904	256	352	37%	774	1,059	37%	6%
5	MEPZ SEZ	3,305	289	415	44%	837	932	11%	6%
6	Noida SEZ	3,463	214	215	0%	644	708	10%	4%
7	Cochin SEZ	2,318	205	238	16%	506	677	34%	4%
	Grand Total	63,044	4,891	5,015	3%	13,905	16,503	19%	100%

## Special Economic Zones Services Exports

(in Mn USD)

Rank	ZONE	F.Y. 2023-24	Jun-23	Jun-24	Growth (%)	Apr-June 2023	Apr-June 2024	Growth (%)	% Share
1	Cochin SEZ	27,140	2,390	2,448	2%	6,090	6,941	14%	27%
2	SEEPZ Mumbai	17,846	1,587	2,186	38%	4,080	5,535	36%	22%
3	Visakhapatnam SEZ	17,288	1,546	1,607	4%	3,970	4,528	14%	18%
4	MEPZ SEZ	17,202	1,520	1,580	4%	4,080	4,507	10%	18%
5	Noida SEZ	9,891	803	889	11%	2,216	2,676	21%	11%
6	Falta SEZ	3,850	283	333	18%	733	871	19%	3%
7	Kandla SEZ	1,115	97	94	-3%	230	321	40%	1%
	Grand Total	94,331	8,226	9,137	11%	21,400	25,380	19%	100%

## Total Exports from SEZs (Goods + Services)

(in Mn USD)

Rank	ZONE	F.Y. 2023-24	Jun-23	Jun-24	Growth (%)	Apr-June 2023	Apr-June 2024	Growth (%)	% Share
1	Kandla SEZ	36,548	2,900	2,555	-12%	8,328	9,137	10%	22%
2	Cochin SEZ	29,457	2,595	2,687	4%	6,596	7,618	15%	18%
3	Vishakhapatnam SEZ	25,851	2,193	2,479	13%	5,712	7,488	31%	18%
4	SEEPZ Mumbai	23,905	2,064	2,649	28%	5,386	6,888	28%	16%
5	MEPZ SEZ	20,506	1,810	1,995	10%	4,917	5,439	11%	13%
6	Noida SEZ	13,353	1,018	1,104	8%	2,860	3,385	18%	8%
7	Falta SEZ	7,755	539	685	27%	1,507	1,931	28%	5%
	Grand Total	157,376	13,118	14,152	8%	35,305	41,884	19%	100%

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## EPCES News

A Newsletter by Export Promotion Council for EOUs & SEZs (Set up by Ministry of Commerce and Industry, Government of India)

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**Srikanth Badiga**  
Chairman, EPCES

**Alok Vardhan Chaturvedi**  
Director General, EPCES

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**Srikanth Badiga**  
Chairman, EPCES



The Ministry of Commerce and Industry's recent decision to extend export benefits under the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme for companies in Special Economic Zones and Export Oriented Units benefitting Engineering, Textiles, Chemicals, Pharmaceutical and Food Processing and several other sectors has brought in some cheer to the exporters.



#### Dear Friends,

I am sure most of you, rather, almost all of us, were expecting some immediate reforms in our SEZ Act in the budget. EPCES was following up with the Ministry on a daily basis for the proposed amendments which would benefit the industry significantly and encourage more units into SEZs. Globally, manufacturing SEZs in one form or another are flourishing not because of tax exemptions but due to the flexibility of operations within their zones. In the past, EPCES suggested to the MOCI the necessity of allowing SEZ units to function as per global standards and permitting units to sell their products in DTA by paying taxes on a duty foregone basis. This will help the units to utilize their capacity fully. The same applies to IT SEZ units.

Presently, most of the IT SEZs are half-filled. Post-COVID, a maximum number of IT units are working from home and are reluctant to return to the offices. Nevertheless, some larger companies are insisting that employees return to offices. However, the main challenge of transacting in DTA by SEZ IT units remains. Unless the government amends the rules, it will be very difficult to attract units into IT/ITES SEZs. The recent introduction of Rule 11B of SEZ Rules, 2006 read with Instruction No. 115 dated 09.04.2024 has few takers. The amendment in SEZ rules allowing IT units to service domestic businesses in INR will attract more IT units into SEZs.

I personally attended a couple of meetings organized by the Ministry where I had the opportunity to interact with the Hon'ble Minister. I emphasized the need to fulfill the wish list outlined in SEZ 2.0, DESH Bill. Further, for the benefit of the export industry, I requested the CIM to address a few issues. Among the main issues are to keep EOUs and SEZs outside the purview of DGFT notifications for changes in import policy from "FREE" to "Restricted" in view of specific provisions in SEZ rules and FTP, and export duty should not be levied on DTA supplies to SEZs as these inputs are used for manufacturing export products on which there is no export duty. Besides a few operational issues, it was also requested to encourage "One District One Product" which will contribute to regional development and create good employment.

The Economic Survey 2024 outlined that India's real GDP grew by 8.2% in FY 2023-24 and predicts a growth rate of 6.5%-7% conservatively for FY 2024-25. Retail inflation declined to 5.4% in FY 2023-24 as global issues, supply chain disruptions, and monsoon effects have been contained through effective policy and administrative mechanisms. India's global share of goods exports is at 1.8%, and the trade openness indicator rose to 45.9%, contributing significantly to our growth. This underscores the importance of the government's PLIS in boosting our exports in electronics and other sectors. While the services sector continues to be a significant contributor to India's growth, accounting for about 55% of the total size of the economy in FY 2023-24.

I also wish to share that the World Free Zones Organization is celebrating its 10th anniversary in a very big way in Dubai. The event will take place in Dubai from 23 – 25 September 2024 under the new name World FZO 10th World Congress. This decision was made in the best interest of the event and its participants. EPCES is planning to organize an International Workshop on Realizing the Economic Potential of Free Trade Warehousing Zones in India in the second or third week of August. It will be a good opportunity to network with global export houses and units. I will share more details shortly once we hear from World FZO.

**Srikanth Badiga**

**Dear Members,**

As per UNCTAD Global Trade Update, July 2024, moderating global inflation and improving economic growth forecasts suggest a reversal of the downward macroeconomic trends that have characterized most of 2023. Additionally, rising demand for products related to energy transition and artificial intelligence should contribute to trade growth through 2024. Furthermore, the possibility of interest rate cuts in the United States later in the year and the consequently weaker United States dollar could give global trade a further boost. However, the global trade outlook for 2024 remains subject to downside risks. Persistent geopolitical tensions, rising shipping costs, and emerging industrial policies could significantly impact global trade. Friend-shoring and trade concentration trends continue to shape global trade and global interdependence trends are increasingly shaped by geopolitical and economic factors.

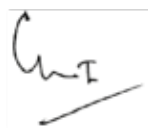
During April-June 2024, Indian merchandise exports increased by 5.8% to US\$ 109.96 billion, while services exports expected to increase by 12 to US\$ 90.37 billion, thus overall exports increasing by 8.6% to US\$ 200.33 billion. As regards SEZs, merchandise exports increased by 19 % to US\$ 16.5 billion, while services exports remained unchanged, totalling USD 94.3 billion.

With Hon'ble Shri Narendra Modi assuming the charge of Prime Minister again, policy stability and continuity is expected. EPCES hopes that the long pending reforms in SEZs through amendment in SEZ Act will be carried out in the first 100 days itself by enabling DTA sale on duty foregone principle and payment in INR for DTA supply of services.

Government has decided to implement ICEGATE in SEZs w.e.f. 1.7.2024. EPCES received a number of representations about the shortcomings in the ICEGATE SEZ module and lack of training of SEZ Units in using ICEGATE. On EPCES follow-up, Government decided for parallel operation of existing arrangement through SEZ Online till 15.7.2024 which has now been extended till 13.8.2024. EPCES is taking regular feedback from its members about transition to ICEGATE and informing Government about the shortcomings in the ICEGATE SEZ module. EPCES has also requested Government to first develop the ICEGATE module for SEZs properly, get it tested professionally and have a comprehensive training of SEZ units in using ICEGATE SEZ module. Government should not experiment with the live day to day EXIM transactions of SEZ units with incomplete, untested ICEGATE SEZ module, putting exports from SEZs in jeopardy. This is against the EODB policy of the Government. EPCES has requested Government to continue with SEZ Online unless ICEGATE SEZ module is fully developed and tested and units are properly trained.

Among our regular articles, you will find information about the status of issues taken by the EPCES with the Government, export data of SEZs, and details of queries answered by our knowledge partner in addition to activities at headquarter and Regional levels. We will be happy to hear from you for suggestions for improving the news magazine.

With best wishes,



**Alok V Chaturvedi**

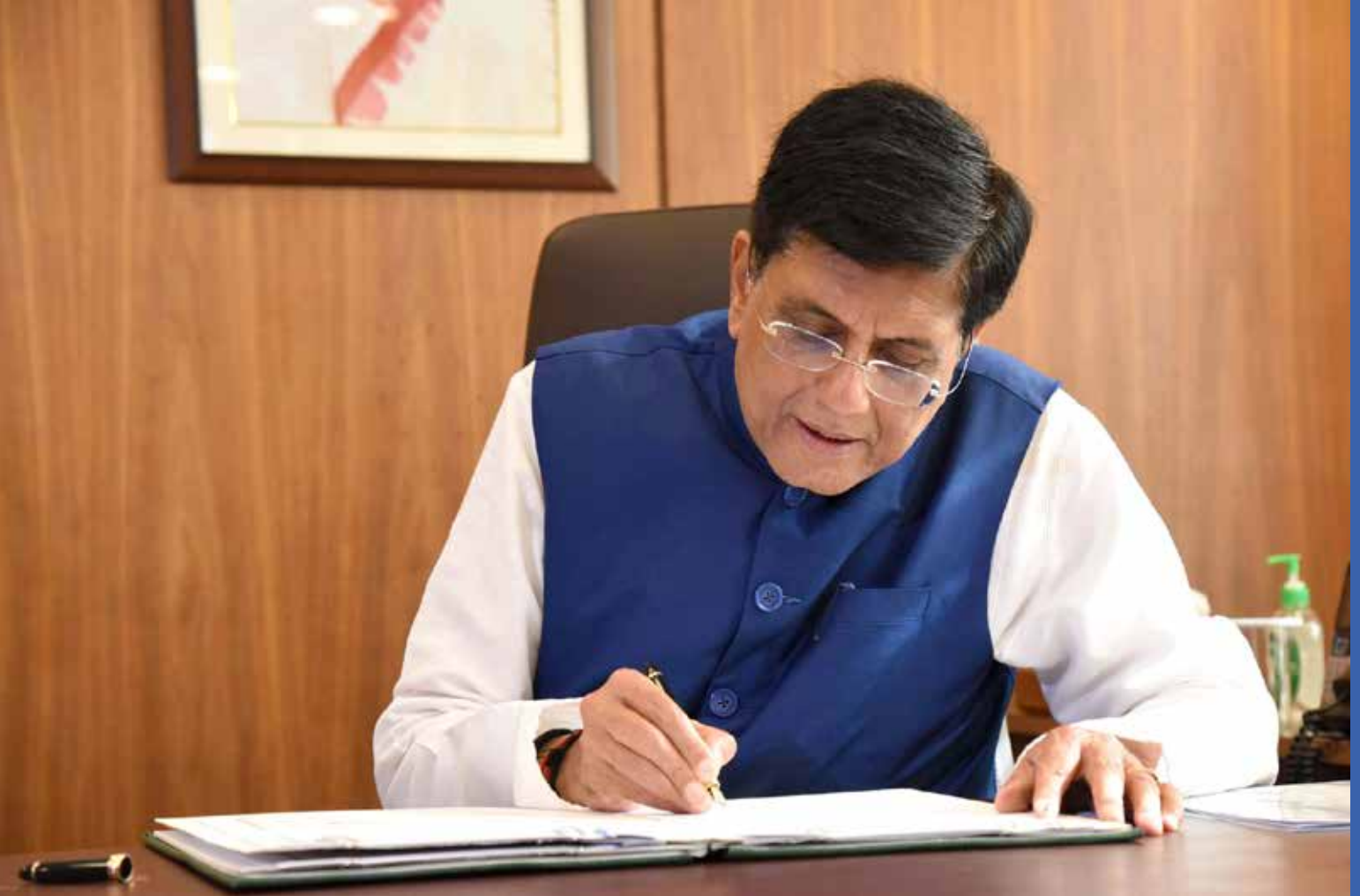


**Alok V Chaturvedi**  
Director General, EPCES



With Hon'ble Shri Narendra Modi assuming the charge of Prime Minister again, policy stability and continuity is expected. EPCES hopes that the long pending reforms in SEZs through amendment in SEZ Act will be carried out in the first 100 days itself by enabling DTA sale on duty foregone principle and payment in INR for DTA supply of services.





## Shri Piyush Goyal assumes Charge of Ministry of Commerce and Industry

Union Minister Shri Piyush Goyal, once again, assumed charge of the Ministry of Commerce and Industry on 11.6.2024. Minister of State, Ministry of Commerce and Industry, Shri Jitin Prasada, Secretary, Department of Commerce, Shri Sunil Barthwal and Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Shri Rajesh Kumar Singh, along with senior officers of the Ministry were present on the occasion.

On the occasion of assuming charge, Shri Piyush Goyal expressed his heartfelt gratitude to Prime Minister, Shri Narendra Modi for giving him the opportunity to serve the nation once again. He said that over the past decade, PM Modi's strong development-oriented governance has inspired

a wave of progress across the country, and it is imperative to continue building on this foundation.



Shri Goyal emphasized the importance of working diligently during the Amrit Kaal to ensure rapid advancements in the field of commerce and industry. He said that the government is committed to creating new opportunities for the youth and working relentlessly for the welfare of all citizens. Under the visionary leadership of PM Modi, the nation is poised to achieve new heights. He also noted that embracing the philosophy of "Sabka Saath, Sabka Prayas," the collective efforts and trust of the people will drive India towards a brighter future.



## CIM reviews exports with EPCs and Industry Associations

Strategies to enhance global market outreach and further boost India's exports by focusing on key sectors, addressing trade barriers and promoting innovation were discussed. India's total exports during April-May 2024 is estimated at USD 133.61 Billion registering a positive growth of 9.21 percent. Total imports during April-May 2024 is estimated at USD 149.92 Billion registering a growth of 9.93 percent.

Hon'ble Commerce & Industry Minister Shri Piyush Goyal held a meeting of the Export Promotion Councils and Industry Associations on 27.6.2024 at Bharat Mandapam, New Delhi. Shri Jitin Prasad, Hon'ble Minister of State, Shri Sunil Barthwal, Commerce Secretary, Shri R K Singh, Secretary DPIIT, Shri Santosh Sarangi, DGFT and other senior officers of the D/o Commerce and DPIIT were present. The meeting was attended by the representatives from FIEO and different Export Promotion Councils and Industry Associations. On behalf of EPCES, Shri Srikanth Badiga, Chairman, Shri Vilas Gupta, Member CGC, Shri Sunil Puri, Regional Chairman, NOIDA SEZ and Shri Alok Mukherjee, Special Consultant, participated in the meeting.



Table 2: Trade during April-May 2024\*

		April-May 2024 (USD Billion)	April-May 2024 (USD Billion)
Merchandise	Exports	73.12	69.57
	Imports	116.01	106.54
Services*	Exports	60.49	52.77
	Imports	33.91	29.84
Total Trade (Merchandise+Services)*	Exports	133.61	122.35
	Imports	149.92	136.38
	Trade Balance	-16.31	-14.03

The detailed performance of India's export is given below.

Shri Srikanth Badiga, Chairman EPCES raised the following issues in respect of SEZs and EOUs:

1. DESH Bill/SEZ Amendment be passed at the earliest. There is a continued policy uncertainty due to this for investors in SEZs.
2. Endorsement of DTA invoices for supply of goods and services from DTA to SEZ units should be made paperless so that DTA suppliers are able to get the advantage of GST Refund. There is a huge pendency in all SEZs and physical copies of invoices is still insisted upon by some officers.
3. Thorough review of regulations regarding Free Trade Warehousing Zones be undertaken to realise

their full potential and to attract the warehousing business from Dubai and Singapore to India.

4. EOUs and SEZ units should be outside the purview of DGFT notification for change in import policy from "FREE" to "Restricted" in view of specific provision in SEZ rules and FTP.
5. BIS standards/QCOs should not be applicable for inputs supplied by SEZs/EOUs to DTA exporters to be used in export products.
6. Export Duty should not be levied on DTA supplies to SEZs as these inputs are used for manufacturing export products on which there is no export duty. DTA exporters don't have to pay these export duties.
7. Minor Changes in Rule 11B for IT/ITES SEZs be carried out so that only proportionate duty benefits under Rule 11B (50(ii)) are to be returned for social and commercial infrastructure and no tax benefits under Rule 11B (9) should be ensured only on proportional common infrastructure and facilities.
8. HSN code of Paracetamol used by the World Customs Organisation, US, South Korea should be adopted in India so that Indian exporters can get the benefit of lower duties under India-Korea CEPA.

## QUICK ESTIMATES FOR SELECTED MAJOR COUNTRIES FOR JUNE 2024 TRADE: EXPORT

Sl. No.	Countries	Values			% Change		
		June'23	Apr'23- June'23	June'24	Apr'24- June'24	June'24	Apr'24- June'24
1	U S A	6338.47	18805.90	6717.74	20761.76	5.98	10.40
2	U ARAB EMTS	2723.90	7515.83	3099.97	8839.90	13.81	17.62
3	NETHERLAND	1843.03	5107.48	1948.77	7218.59	5.74	41.33
4	U K	1167.84	3314.20	1317.09	4041.82	12.78	21.95
5	CHINA P RP	1192.55	3866.51	1184.87	3755.75	-0.64	-2.86
6	SINGAPORE	936.54	2761.04	903.26	3494.09	-3.55	26.55
7	SAUDI ARAB	796.97	2766.02	822.35	2901.11	3.18	4.88
8	BANGLADESH PR	787.26	2506.41	985.66	2770.64	25.20	10.54
9	GERMANY	807.39	2415.34	854.51	2496.60	5.84	3.36
10	MALAYSIA	394.49	1295.85	764.62	2356.32	93.82	81.84
11	FRANCE	528.89	1589.34	511.84	2205.11	-3.22	38.74
12	SOUTH AFRICA	616.49	2047.51	669.57	2121.51	8.61	3.61
13	ITALY	759.26	2475.69	670.23	2043.76	-11.73	-17.45
14	AUSTRALIA	1072.74	2332.13	873.72	1902.59	-18.55	-18.42
15	NEPAL	590.27	1928.26	616.90	1828.95	4.51	-5.15
16	BRAZIL	570.33	1846.95	482.22	1714.85	-15.45	-7.15
17	BELGIUM	685.13	1993.21	607.12	1654.47	-11.39	-17.00
18	MEXICO	438.15	1291.51	508.39	1508.09	16.03	16.77
19	TURKEY	523.96	1771.52	490.26	1497.49	-6.43	-15.47
20	INDONESIA	581.78	2155.24	461.80	1400.82	-20.62	-35.00
	<b>Sub-Total</b>	<b>23355.45</b>	<b>69785.92</b>	<b>24490.89</b>	<b>76514.20</b>	<b>4.86</b>	<b>9.64</b>
	<b>GRAND TOTAL</b>	<b>34323.99</b>	<b>103894.92</b>	<b>35198.88</b>	<b>109963.42</b>	<b>2.55</b>	<b>5.84</b>

Note : 1. Grand total is inclusive of all countries.

2. The figures for JUN'24 are provisional.



## QUICK ESTIMATES FOR SELECTED MAJOR COMMODITIES FOR JUNE 24 TRADE: EXPORT

Sl. No.	Commodities	Values				% Change	
		June'23	Apr'23-June'23	June'24	Apr'24-June'24	June'24	Apr'24-June'24
1	Engineering Goods	8,516	26,766	9,391	27,677	10	3
2	Petroleum Products	6,757	19,032	5,521	20,797	-18	9
3	Electronic Goods	2,415	6,937	2,824	8,438	17	22
4	Gems & Jewellery	2,279	7,528	2,247	7,265	-1	-3
5	Drugs & Pharmaceuticals	2,245	6,591	2,468	7,202	10	9
6	Organic & Inorganic Chemicals	2,218	6,594	2,292	7,100	3	8
7	RMG of all Textiles	1,248	3,695	1,294	3,850	4	4
8	Cotton Yarn/Fabs./made-ups, Handloom Products etc.	951	2,759	960	2,916	1	6
9	Rice	844	2,821	852	2,808	1	0
10	Plastic & Linoleum	632	1,930	695	2,123	10	10
11	Marine Products	605	1,772	559	1,629	-8	-8
12	Man-made Yarn/Fabs./made-ups etc.	373	1,161	383	1,165	3	0
13	Mica, Coal & Other Ores, Minerals including processed minerals	400	1,174	418	1,149	4	-2
14	Spices	292	1,106	321	1,090	10	-1
15	Leather & leather products	398	1,094	389	1,054	-2	-4
16	Ceramic products & glassware	315	1,051	322	1,023	2	-3
17	Meat, dairy & poultry products	362	1,010	312	1,011	-14	0
18	Fruits & Vegetables	234	793	250	844	7	6
19	Cereal preparations & miscellaneous processed items	215	680	248	764	15	12
20	Iron Ore	198	841	246	661	25	-21
21	Coffee	116	347	197	520	70	50
22	Tobacco	119	315	164	427	38	36
23	Handicrafts excl. handmade carpet	160	406	134	408	-17	0
24	Carpet	110	326	121	363	11	11
25	Oil seeds	135	375	110	332	-19	-11
26	Oil Meals	96	446	84	331	-12	-26
27	Tea	61	163	63	187	3	15
28	Jute Mfg. including Floor Covering	31	95	27	83	-11	-12
29	Cashew	28	83	26	69	-7	-17
30	Other cereals	84	252	19	60	-78	-76
	<b>Sub-Total</b>	<b>32,436</b>	<b>98,141</b>	<b>32,936</b>	<b>103,347</b>	<b>2</b>	<b>5</b>
	<b>GRAND TOTAL</b>	<b>34,324</b>	<b>103,895</b>	<b>35,199</b>	<b>109,963</b>	<b>3</b>	<b>6</b>

Note 1: Exports include Re-Exports.

Note 2: The figures for JUN'24 are provisional.

Note 3: Grand total is inclusive of component 'Other'



# ICEGATE Roll-out in Special Economic Zones

Hon'ble Finance Minister, in her budget speech on 1.2.2022, announced that the Government will undertake reforms in Customs Administration of Special Economic Zones (SEZs) and it shall henceforth be fully IT driven and function on Customs National Portal with a focus on higher facilitation and with only risk-based checks. This will ease doing business by SEZ units considerably. It was announced that this reform would be completed by 30.9.2022.

However, the implementation got delayed. A pilot was launched in GIFT Multi Services SEZ with effect from 15.5.2023 vide Public Notice No 1/2023-24 dated 11.5.2023. However, as GIFT SEZ primarily deals in services, it only eased import of gold directly through India International Bullion Exchange (IIBX). Therefore, the different SEZ modules were being tested in MEPZ (Madras Export Processing Zone).

The Department of Commerce, vide DGFT Notification No 70/2023 dated 8.3.2024, extended the Remission of Duties and Taxes on Export Products (RoDTEP) scheme to EOUs and SEZs. Extension of RoDTEP to SEZ units was to take place on IT integration of SEZs with Customs Automated System (ICEGATE).

DG Systems & data Management (ICEGATE), vide their letter dated 3.5.2024, decided for the rollout of SEZ Registration Module on SEZ master Locations at NOIDA, Mumbai, Chennai, Kolkata, Cochin, Kandla and Vizag SEZs.

Finally, after detailed testing of SEZ modules in MEPZ, the Department of Commerce and DG Systems, vide their letter dated 22.6.2024, decided that filing of documents for exports and imports in respect of non IT/ITES SEZs and FTWZs will be done w.e.f. 1.7.2024. It was also that no further filing shall take place on the NSDL online system w.e.f. 1.7.2024 in respect of such SEZs/FTWZs. Accordingly, Pulic Notices were issued by the respective Development Commissioners requesting all SEZ units to use ICEGATE system for filing documents for import and exports, i.e. BEs and SBs, DTA Procurement/Sale, Intra and Inter SEZ Transactions w.e.f. 1.7.2024. As a consequence, electronic filing of documents through the erstwhile NSDL online for imports and exports would discontinue from 1.7.2024.

However, there was a panic among the SEZ units, as the units could not register with ICEGATE till then and were facing various problems. The units were also not familiar with the ICEGATE SEZ modules as the testing was basically done in MEPZ and partly in NSEZ and elsewhere only registration was being done. Furthermore, ICEGATE SEZ modules were also not tested comprehensively and not all transaction of SEZ units in SEZs and FTWZs were taken into account.

In view of this, EPCES consulted the units and invited the difficulties/concerns/ suggestions being faced by them relating to ICEGATE rollout in SEZ through Google Form and shared the same with the D/o Commerce and DG Systems. A copy of the same is attached. A meeting was immediately convened on called by D/o Commerce and DG System on 28.6.2024 with DG EPCES and DCs and Customs officers of different SEZs. DG EPCES forcefully presented the difficulties being faced by the units and that all transactions of SEZ units not being made available in ICEGATE SEZ Modules. He emphasised that parallel operation of SEZ Online and ICEGATE is required from business continuity point of view. In view of this, D/o Commerce, vide their letter dated 29.6.2024, clarified that filing of documents by the units will also be allowed on SEZ-Online till 15.7.2024. It was also clarified that filing of documents/details on SEZ Online in respect of such modules which are not yet available on ICEGATE will continue to be allowed till the availability of the corresponding module(s) on ICEGATE. Further, the Bills of Entry (B/E) for clearance of goods imported prior to roll-out of ICEGATE for SEZs will continue to be filed on SEZ-Online, as such imported goods were having no footprint on ICEGATE. Other transitional arrangements were also made.



No. J.16/3/2007-SEZ Vol-V  
Government of India  
Ministry of Commerce and Industry  
Department of Commerce  
(SEZ Division)

Vanijya Bhawan, New Delhi-110011  
Dated: 29<sup>th</sup> June 2024

To,  
The Development Commissioners  
All Special Economic Zones

**Subject:-** Implementation of ICEGATE at non IT/ITES SEZs with effect from 1.07.2024 – Clarifications - reg.

Sir/Madam,

I am directed to refer to this Department's letter of even number dated 22.06.2024 on the subject mentioned above informing the roll-out of Customs Automated System (ICEGATE) across all non-IT/ITES SEZs with effect from 01.07.2024 and to issue public notices accordingly.

2. Department of Commerce has received several issues/queries from various stakeholders regarding smooth migration from SEZ-Online to ICEGATE with effect from 01.07.2024. This Department has also been requested to allow parallel filing in ICEGATE as well as SEZ-Online platform during the initial period of transition. The issues / apprehensions as well as requests have been examined in consultation with ADG (Systems), CBIC and following has been decided:

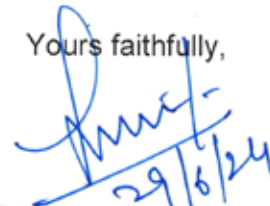
- (i) ICEGATE shall be rolled out across all non-IT/ITES SEZs w.e.f. 01.07.2024. Accordingly, all stakeholders should be encouraged to use ICEGATE portal and discouraged to use SEZ-Online portal.
- (ii) SEZ Units which migrate to ICEGATE w.e.f. 01.07.2024 shall be eligible to avail benefits under the RODTEP Scheme. Units filing the documents on SEZ-Online shall not be eligible to claim the said benefits.
- (iii) On the requests received from various stakeholders, filing of documents by the units will also be allowed on SEZ-Online till **15.07.2024**. However, it is clarified that no RODTEP benefits shall be available to such Units during the said period unless they migrate to ICEGATE.



1/2

- (iv) It must be ensured that the Units which have once migrated to ICEGATE are not allowed to file documents on SEZ-Online portal again. However, the Development Commissioner may allow filing of documents/details to continue on SEZ-Online in respect of such modules which are not yet available on ICEGATE till the availability of the corresponding module(s) on ICEGATE.
  - (v) Bills of Entry (B/E) for clearance of goods imported prior to roll-out of ICEGATE for SEZs may continue to be filed on SEZ-Online, such imported goods having no footprint on ICEGATE. The "T" type B/E in ICEGATE meant for DTA clearance from trading/warehousing unit cannot be filed unless there is a corresponding "Z" type B/E, such details being mandatory.
  - (vi) Documents for clearance filed till 30.06.2024 [Bills of Entry (Import/DTA Sale), Shipping Bills, TR/PR, Zone to Zone Transfer) will be processed on SEZ-Online, as no record or footprint of goods imported would be available on ICEGATE.
3. You are requested to inform all stakeholders accordingly.
  4. This issues with the approval of the competent authority.

Yours faithfully,



(Sumit Kumar Sachan)

Under Secretary to the Govt. of India

Tel. 011-23039829

Email: [sumit.sachan@nic.in](mailto:sumit.sachan@nic.in)

Copy to: -

1. Sh. Vijay Gupta, VP, NSDL with request to take necessary action for allowing filing of documents in SEZ-Online portal, as detailed above.
2. Pr. DG(Systems), CBIC / ADG (Systems), CBIC

# Difficulties in ICEGATE Roll-out in Special Economic Zones

1. No proper transition help document is available. Simple mapping of transactions/modules which were available on SEZ Online and how the same have been made available on ICEGATE is not available. Therefore, it is not clear what is available on ICEGATE and what is not and there is no clarity how those transactions to be carried which have not yet been made available on ICEGATE.
2. Apparently unavailable modules on ICEGATE. Clarity is needed.
  - a. Module /facility for transfer of manufactured goods from SEZ to Customs Bonded Warehouse u/r 46(13)
  - b. Procurement of goods into SEZ from Bonded warehouse is to be enabled
  - c. The DTA Procurement module
  - d. The ESANCHET Module
  - e. Temporary Removal Modules as per SEZ Rules 50 & 51
  - f. Subcontract Modules as per SEZ Rules 41 & 42
  - g. Courier mode and non-EDI port Bill of Entry
  - h. Modules for SEZ to EOU and EOU to SEZ
  - i. Job work transaction (SEZ to DTA and return from DTA to SEZ)
  - j. Intra SEZ transactions
  - k. Bulk upload facility in all the modules.
  - l. User access is limited to units for the filing process.
  - m. CHA (Customs House Agent) filling option
  - n. In case of merchant exports, SEZ units are required to pay IGST concessional rate of 0.1%." "under GST Notification No. 40/2017-Central Tax (Rate) and Notification No. 41/2017-Integrated Tax (Rate) both dated 23rd October 2017. There is a need to clarify this.
3. Clarity is needed in respect of the following:
  - a. Clearance of used packing material Scrap because BCD is not applicable as per Rule 49(4) (b) of SEZ rule 2006 and there is no specific customs notification.
  - b. Clearance of the used capital Goods under Rule 49(1) of SEZ Rule 2006 where BCD is not applicable if goods procured from DTA.
  - c. Custom notifications where in on certain products custom duties are exempted not enabled
4. FTWZ related Issues
  - a. Joint filing option like in SEZ online should be made available since FTWZ units are not the owner of the goods. They only provide the services as stated in their Authorized operations
  - b. Clubbing of multiple inbound BE's in one outbound BE, and one inbound to multiple DTA BE's. This is a must especially for VMI (Vendor Managed Inventory) and no buyer would like to keep the goods in stock at their facility.
  - c. Supply from FTWZ to MOOWR Bonded licensee which is most important biz model, all the Foreign clients who hold inventories and supply the goods OEM's of Mobile Phones, Semi-Conductors, Wind Mill mfg & Solar Invertors etc.
  - d. Earlier BLUT bond got executed with DC's office, and there was no debit/credit mechanism. In ICEGATE modules, two debits are happening. One at the time of assessment of Inward BE and other at the Trans-shipment from the Port/Airport to FTWZ for the same BE. Given to understand from DG Systems that Trans-shipment debit gets auto credited once the goods reach the FTWZ unit, whereas the assessment debit gets credited once the FTWZ Unit's client who clear the goods into DTA. In the unlikely event if the FTWZ Unit client not get

- any buyers and keep the goods for 3 to 6 months, this debit will remain in the system and FTWZ Unit holder to keep on increasing the BLUT value. This needs to be corrected immediately
- e. Foreign clients should be given a different or common IEC since ICES module picks up only FTWZ Unit IEC. There should be provision to mention the Foreign clients details as consignee on a/c FTWZ Unit in the BE, otherwise by default Units IEC gets picked up in RBI portal and Units are responsible in case of any wrong doing and also on the IDPMS /EDPMS monitoring in RBI portal on Inward & Outward remittances
  - f. Custom broker details are missing in the ICEGATE BE since many FTWZ clients use their 3rd party broker for Inward & Outward movements
  - g. While uploading documents in ICES module (E-Sanchit) upload of documents Unit's digital signatures were mandated in the PDF documents and more than 1MB is not accepted. It would be difficult for Units to provide multiple dongles to the Buyers Customs brokers.
  - h. Module for Procurement from Bonded warehouses to FTWZ is not available
  - i. Acknowledgement from ICES is very poor and sometimes we don't get any update whether BE number generated or not generated etc.
5. SEZ Units should be allowed to pay Customs Duty for Supplies made from SEZ to DTA. After approval of Bill of entry – Import (SEZ to DTA clearance), the duty has to be paid by DTA importer. For that, they have to register at ICEGATE which is not possible with all DTA importers. SEZ Units should be allowed to pay Customs Duty for Supplies made from SEZ to DTA.
  6. Both options (IEC or PAN) should be available for filing of Bill of Entry for supply from DTA to SEZ. IEC code of DTA importer has been made compulsory for filing Bill of entry (SEZ to DTA). This is not practically possible that all DTA vendors might have IEC code. There are lots of small vendors doing Repairing, Jobbing & testing work. Therefore, both options (IEC or PAN) should be available for BOE (SEZ TO DTA sale) filing.
  7. Debiting and Crediting of Bond ledger in case of testing of drugs by DTA Labs (which are consumed during the testing). Pharma industry are involved under manufacturing of lifesaving drugs and there is a requirement of testing of each Batch/Lot of RM/PM, SFG & FG goods at outside laboratories. It is part of business requirement as per FDA guidelines. So it is now clear that goods will be moved under M type bill of entry. But it is not clear as how the bond will be debited & credited at ICEGATE ledger if goods are consumed at consignee/ laboratories end during testing.
  8. Units are getting error in filing of advance bill of entry. System is not accepting Z type Bill of entry. Further, linking of IGM after submission of advance Bill of entry has to be clarified.
  9. Specifying Gateway Port should be made option at the time of filing Shipping Bill. As SEZ units are situated at dry port and all shipment are routing through other ports. Therefore, it Gateway Port should be optional at the time of filing of shipping bill.
  10. Existing broadband connections may be allowed and a new BSNL broadband should not be insisted. The new connection requires minimum 2 to 3 months.
  11. For supplies to DTA, there is a GST issue as the GST is paid in advance by the SEZ unit on behalf of the buyers and GST portal does not reflect the GST paid.
  12. Deemed Exports DBK should be applicable for payments made in INR converted from FCY A/c. But as per ICEGATE, it requires payment to the Supplier in USD. This will have impact on NFE Positive.
  13. RoDTEP a/c could not be created.
  14. There are delays in delivery of emails which halts movement of cargo.
  15. There are problems in issue of ETP.
  16. If every document needs to be digitally signed and uploaded through e-SANCHIT for IRN and DRN, it requires additional resources and manpower. This was not the case in the case of SEZ Online portal. Ultimately the documents are digitally signed by the parent user, then why do we need all other supporting documents. This requires printing and scanning.

17. In case of Child users when PAN is verified, Aadhar verification should not be there as there are a lot of people who will have minor mismatches in the name in PAN vis-à-vis Aadhar.
18. Many MNCs and reputed companies insist on legal backing by Rules for all Customs transaction and their compliance with regulations is key criteria. It has been observed ICEGATE module and SEZ Rules and Instructions are not in sync and the same should be done immediately.
19. We are unable to process the 'Bill of Export' due to an error in the mismatch/difference of product value and taxable value (i.e., for IGST). This issue prevents us from proceeding further with the necessary processing steps.
20. We are experiencing issues in correctly filing for 'Port of Loading' and 'Port of Discharge/ Destination' in the 'Bill of Exports.'
21. There is no provision to check the 'DBK Amount' and 'RODTEP Scheme Amount' in the 'Bill of Export.'
22. We recommend that the 'Sub-Contract Challan' and 'Temporary Removal Challan' should continue to be processed through the regular NSDL SEZ online portal until other software is updated to handle these processes.
23. The NEFT/RTGS option for CE/ST and SEZ Custom Duty is not available in Services >> E-Payment for online duty payment.
24. Once a document is saved as a draft and we exit the web form, we are unable to locate where the draft BOE or shipping bill IDs are saved. Despite a pop-up notification indicating that drafts can be accessed via the dashboard, this option is not available.
25. There is no option available to download the DTA procurement out-of-charge copy from the dashboard.
26. Consignee Information Limitations:
  - a. The Consignee Name and Address fields have a limited number of characters, making it difficult to fill out correctly.
  - b. Merchant export filling in Ex-Bond without AD Code FOB in INR terms is showing AD Code as a mandatory part.
27. Company details are not auto-populated in ICEGATE.
28. For SEZ units, the CHA license number should not be mandatory as CHA is not allowed for SEZ units.
29. The Warehouse Code is not shown, and without AD Code, the Bill of Entry cannot be prepared.
30. The IGST Notification No. and SR No. are not shown, and a search option for easy filling is required.
31. Several necessary options are missing, such as:
  - a. Warehouse Code Number
  - b. Gateway Port/Port of Loading
  - c. Line Seal Number
  - d. AD Code Exemption Notification
  - e. Tariff Notification and MIP
32. Can the possibility of moving the functionalities available in SEZ Online to ICEGATE be explored. The frontend or the user interface was best in SEZ online and very user-friendly as compared with ICEGATE portal.





## 10th World FZO World Congress – Unlocking the investment avenues of the next decade to be held on 23-25 September 2024 in Dubai

World Free Zones Organisation (World FZO) will be organising the 10th World FZO World Congress on 23-25 September, 2024 in Madinat Jumeirah, Dubai, UAE being held under the patronage of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai. It will be 10-year anniversary event as they celebrate a decade of achievements and look ahead to the future of free zones globally. As they celebrate the (foundational) ten years of the World FZO, they are launching a new era focused on unlocking new investment avenues while emphasizing their social contribution through net zero initiatives. The annual World Congress will showcase their tools of learning, networking, advocacy, and consulting, driving transformative change and nurturing collaboration within the global Free Zones ecosystem.

The World Free Zones Organization (World FZO) is a global not-for-profit organization that provides one authoritative, collective voice representing the interests of free zones around the world. The World FZO was launched in Dubai, UAE, in May 2014, by its 14 founding members and under the auspices of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, and Ruler of Dubai. Mr PC Nambiar, Director of SEZ Biotech Services Pvt Ltd Pune was one of the first Board of Directors. Mr

**10TH WORLD FZO  
WORLD CONGRESS  
DUBAI, UAE — 2024**

23-25 SEPTEMBER 2024

**ZONES AND THE SHIFTING  
GLOBAL ECONOMIC  
STRUCTURES - UNLOCKING  
NEW INVESTMENT AVENUES**

MADINAT JUMEIRAH DUBAI, UAE

**Zones And The Shifting Global  
Economic Structures - Unlocking  
New Investment Avenues**

DATE : 23 - 25 SEPTEMBER 2025

VENUE : DUBAI, UAE

[VIEW DETAILS](#)



Srikanth Badiga, Chairman EPCES is the present Board member of the World FZO. Registered in Geneva and headquartered in Dubai, the World FZO is the only truly international, multi-lateral organization for zones in the world today. The free zone concept, in its many forms, has gained popularity over the past few decades, particularly in the emerging economies of Asia, the Middle East and Africa. From the first free zone at Shannon Airport in 1959, the model has proliferated to the point where there are an estimated over 3000 free zones around the world, which support approximately 100 million jobs. In addition, to ensure they receive the international recognition and support they deserve, the role of these zones as exemplars of modern infrastructure, as creators of employment opportunities, and as integrators of services, logistics and transport networks, should be highlighted. Zones have played a critical role in the economies of many countries and to ensure they have the greatest possible impact, they need a global, unifying association to bring them together. One that can represent their interests, share their achievements and support their continuous positive development.

It is to address this need that the World FZO has been created.

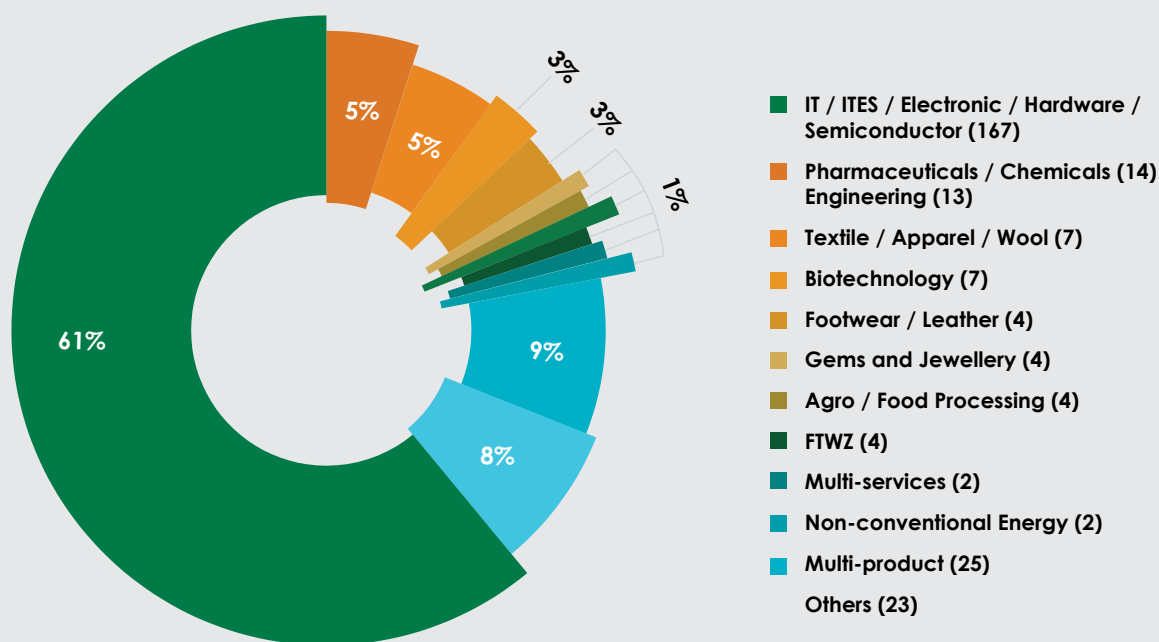
World FZO is an association of free zones, free zones associations and users of free zones and special economic zones. With over 750 members from 139 countries, the World FZO provides one collective voice representing the interests of free zones around the world. It provides a platform for all the free zone stakeholders around the world to learn, grow and prosper by exchanging experiences, best practices and knowledge, through their various services and activities such as Events, Training, Advisory, Certifications, Publications, and B2B platform.

EPCES signed an MoU with World FZO on 18.5.2021 for straightening the capacity building among Special Economic Zones, Export Oriented Units, SEZ developers and other stakeholders in India and the Asian region.

Members can get more details about the 10th World FZO World Congress at <https://www.worldfzo.org/Events/Upcoming-Events/id/702/zones-and-the-shifting-global-economic-structures-unlocking-new-investment-avenues>



### Sector-wise Distribution of SEZs in India (Number and percentage of operational SEZs (276) as on 31.12.2023)





## EXPORT PROMOTION COUNCIL FOR EOUs AND SEZs

(Setup by Ministry of Commerce and Industry, Government of India)

A-101, 10th floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001

Tel: 23329766-70 E-mail: [epces@epces.in](mailto:epces@epces.in) Web: [www.epces.in](http://www.epces.in)

**Circular No. 468**

**Dated 21.06.2024**

**Dear Member,**

Various IT/ITES Developers had requested that they should be allowed to procure/import solar panels with fiscal benefits (primarily meaning duty free import and procurement from DTA without payment of GST (zero rated)) for installing them in their buildings to provide power supply to common areas of SEZs. Similar demand was there from SEZ Units for their captive consumption.

There was confusion in this regard in the SEZ power guidelines dated 16.2.2016 as amended on 28.1.2019 and 7.6.2021.

As per the existing provisions, for IT/ITESSEZ Developers, it was stated that developers can set up in processing area as a unit with fiscal benefits under Section 26 of the SEZ Act with NFE obligation. It is difficult for SEZ developers to operate as unit with NFE obligation. At the same time municipal/development authorities have made it mandatory to have solar power plants before they commence their operations. Hence, SEZ developers were facing problems.

Similarly, SEZ Units were also not allowed fiscal benefits for setting up of solar power plant for their captive use. EPCES had taken up this matter with Department of Commerce, Ministry of Power and Directorate General of Export Promotion, CBIC.

Now, Department of Commerce have issued clarification vide letter dated 7.3.2024 (copy attached) regarding SEZ Units that duty benefits under Section 26 of SEZ Act 2005 are allowed to the SEZ units for installation and O&M of renewable energy equipment exclusively for captive consumption.

Further, vide Instruction No 116 dated 21.6.2024 from Department of Commerce, Development Commissioner have been directed to consider requests from Developers/Co-developers in terms of Para1 (i) of the power guidelines dated 16.2.2016 which means that SEZ developer can set up non-conventional power plant as part of infrastructure with fiscal benefits for its initial setting up. No fiscal benefit will be available for its O&M.

Thus, SEZ developers as well as SEZ units can set up solar power plant with fiscal benefits. For more details please visit at [www.epces.in](http://www.epces.in)

Sincerely,

**EPCES**



## **EXPORT PROMOTION COUNCIL FOR EOU's AND SEZ's**

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Tel: 23329766-70 E-mail: [epces@epces.in](mailto:epces@epces.in) Web: [www.epces.in](http://www.epces.in)

**Circular No. 470**

**Dated 24.06.2024**

**Dear Member,**

Subject: Recommendations of GST Council on Exemption of Compensation Cess on Imports in Special Economic Zones (SEZs)

This is regarding exempting all goods imported by a unit or a developer in the Special Economic Zone for authorized operations from the compensation cess leviable thereon under subsection 9 of Section 3 of the Customs Tariff Act, 1975.

Currently, goods imported by units or developers in SEZs for authorized operations are exempt from Integrated Tax under Notification No. 64/2017-Customs dated 5th July 2017 and Notification No. 18/2017-Integrated Tax (Rate) dated 5th July 2017. However, Compensation Cess was not included in these exemptions. Whereas, Export Oriented Units (EOUs) have been exempted from both Integrated Tax and Compensation Cess as per Notification No. 78/2017-Customs dated 13th October 2017 and Notification No. 37/2022-Customs dated 30th June 2022.

Thereafter, the issue has been exacerbated by a recent order dated 21st November 2023 from the Hon'ble AP High Court (WP No. 1009 of 2019 and WP No. 6216 of 2021), highlighting the absence of Compensation Cess exemption for SEZ imports due to the non-inclusion of the GST (Compensation to States) Cess Act, 2017 in the SEZ Act 2005 or Section 26 of the SEZ Act.

Furthermore, the SEZ Act has not been updated since the introduction of GST, and the previously mentioned notifications do not address Compensation Cess. This has created challenges for SEZ units when importing goods subject to Compensation Cess. EPCES has raised this issue with the Department of Commerce, Department of Revenue, and the Director General of Export Promotions at CBIC.

Now, during the 53rd GST Council Meeting held on 22nd June 2024, it was recommended to exempt SEZ imports from Compensation Cess starting retrospectively from 1st July 2017. This decision aims to resolve the operational difficulties encountered by SEZ units and developers.

Sincerely

**EPCES**

### Cochin SEZ

## Symposium on Authorized Economic Operator (AEO) Programme



A view from the webinar

EPCES Kerala region organized a webinar on "GST & IT: Updates and Insights for Businesses" on June 28, 2024. This program was organized following the recommendations of the GST Council meeting held on June 22, 2024. Shri K K Pillai, Regional Chairman chaired the panel with BDO India as the knowledge partner represented by Mr. Siddharth Tandon and Mr. Karthik Mani, Partners. More than 70 exporters participated in the Webinar. BDO provided an outline of GST and the recommendations

made by the GST Council in its meeting held on 22 June 2024. The speakers also highlighted the exemptions available for SEZs and EOUs under GST, along with the rules and regulations to avail these exemptions. After the presentation, a Q&A session was conducted. Members appreciated EPCES's efforts in organizing relevant programs to assist them.

## Webinar on GST & IT: Updates and Insights for Businesses

EPCES Kerala region organized a webinar on "GST & IT: Updates and Insights for Businesses" on June 28, 2024. This program was organized following the recommendations of the GST Council meeting held on June 22, 2024. Shri K K Pillai, Regional Chairman chaired the panel with BDO India as the knowledge partner represented by Mr. Siddharth Tandon and Mr. Karthik Mani, Partners. More than 70 exporters participated in the



Panelists – Mr. K.K. Pillai, Regional Chairman, Mr. Siddharth Tandon, Partner, BDO, Mr. Karthik Mani, Partner, BDO, Ms. Supriya, Regional Director, Kerala and Mr. Poovaih, Regional Director, Karnataka

Webinar. BDO provided an outline of GST and the recommendations made by the GST Council in its meeting held on 22 June 2024. The speakers also highlighted the exemptions available for SEZs and EOUs under GST, along with the rules and regulations to avail these exemptions. After the presentation, a Q&A session was conducted. Members appreciated EPCES's efforts in organizing relevant programs to assist them.

### Webinar on RoDTEP Scheme and SEZ Rule 11B



EPCES CSEZ, Bangalore Region, with the support of the World Trade Centre (WTC) Bangalore and in association with BDO India, Bangalore, organized a webinar on “The Remission of Duties and Taxes on Exported Products (RODTEP) Scheme to SEZs/EOUs & Rule 11B: Floor Wise Demarcation for IT/ITES in SEZs” on April 25, 2024. DGFT Notification No. 70/2023 dated March 8, 2024 extending the RoDTEP scheme to exports made by EOUs & SEZs and Commerce Ministry’s Instruction No. 115 dated April 9, 2024, providing clarifications regarding the newly inserted SEZ Rule 11B were explained in detail. The webinar was chaired by Shri A.S. Naveen Kushalappa, IRS, Joint Development Commissioner CSEZ Bangalore, and Shri K.K. Pillai, Regional Chairman, EPCES-CSEZ. There were 246 participants in the webinar.

Sri Vivek George from World Trade Centre, Bangalore, welcomed the participants. Sri K.K. Pillai, Regional Chairman, CSEZ-EPCES, Cochin inaugurated the Webinar. He informed the participants that the extension of the RoDTEP Scheme to SEZs and EOUs and clarification regarding Rule 11B could happen because of the constant follow up by EPCES. Mr. Vikram Kulkarni, Indirect Tax Expert, BDO India, Bangalore, provided an overview of the RoDTEP Scheme and Rule 11B and explained various aspects of the same. The webinar was attended by more than 240 exporters from the EOUs and SEZ units.

### Visit to Indeevaram, Infopark (Koratty), Thrissur

Ms. Supriya, Regional Director of Kerala EPCES Regional Director, Cochin visited Indeevaram, Infopark (Koratty), Thrissur on April 3, 2024. She organized an interactive meeting with the units. She shared information about the benefits and mandatory nature of membership as per DGFT directives. She highlighted EPCES’s active role in taking up the issues faced by the members with various ministries. She distributed copies of the EPCES monthly trade bulletin and EPCES newsletter to the exporters. The participants were assured that, as requested, a training program on SOFTEX filing and other SEZ compliances will be organised for new units.



### Madras Export Processing Zone (MEPZ) SEZ

#### Webinar on “SEZ - Challenges being faced by exporters”



A webinar on “SEZ – Challenges being faced by exporters” was organized by the WTC in association with EPCES, MEPZ SEZ, and BDO India LLP on May 22, 2024, at 4 p.m. Over 300 participants from the export community joined online.

Mr. Vivek, the moderator, introduced the session and acknowledged the support of EPCES and BDO India LLP. The webinar focused on the challenges related to the endorsement of past invoices and the list of authorized services. The webinar also discussed the evolution of SEZs in India, highlighting the export performance of Tamil Nadu, Pondicherry, and the Andaman and Nicobar Islands. He emphasized initiatives to reduce regulatory burdens, improve the ease of doing business, operationalize non-functional SEZs, and enhance export figures. He also addressed the trade deficit and stressed the importance of the ‘Make in India’ policy to reduce import dependency. Mr. Karthik Mani, Partner at BDO India, provided insights on indirect tax matters and addressed queries related to past invoices and authorized services. The webinar concluded with a vote of thanks by Regional Director Ms. S. Kalyani.

### Noida SEZ

#### Training on “ICEGATE Rollout in SEZs”

The DC Office Noida arranged a hybrid meeting for explaining the registration of the units on the ICEGATE Portal on Friday, 19th April 2024. A presentation was given by the team from the office of DG Systems, CBIC. Another webinar was organized on 14th June 2024 for ICEGATE training by the DC Office. DG Systems representatives provided physical training to the exporters in the conference room of the DC NSEZ Office. More than 40 participants from NSEZ participated in the training programme.



View from the 19th April Workshop

### Noida SEZ



#### Chintan Shivir

A "Chintan Shivir" was organized on Friday, 26th April 2024, by the Directorate General of Commercial Intelligence and Statistics (DG CI&S), Department of Commerce, Government of India, at Science City, National Council of Science Museums, Ministry of Culture, Govt. of India, J.B.S. Haldane Avenue, Kolkata-700046. Shri R.K. Sharma, RD NSEZ, EPCES and Shri Tanu Aggarwal, DDG, EPCES participated in the seminar. EPCES officials also had a meeting with Shri Deen Bandhu Singh, DC Falta SEZ, on 25th April 2024. Additionally, EPCES officials met Jt. DGFT Mr. Haldar on 25th April 2024.

#### Provident Fund Grievance Workshop

A grievance redressal camp was organized by the Provident Fund Office, Noida, on 29th April 2024 at Neo Kraft Ltd, NSEZ, Noida. Shri Surinder Malik, JDC NSEZ, inaugurated the event. A total of 102 members of the Provident Fund participated in the camp and raised their queries. From the PF Office, Dr. Yogender Yadav, Regional Provident Fund Commissioner, Noida, participated in the event.



#### First RGC Meeting of EPCES NSEZ for FY 2024-25



the implementation. The DC NSEZ assured that all necessary assistance would be provided to facilitate a smooth transition from the SEZ online portal to the ICEGATE portal for filing export and import documents

The first RGC Meeting of EPCES NSEZ for the financial year 2024-25 was held on June 28, 2024, in the conference hall of the DC NSEZ office. Shri Sunil Puri, the Regional Chairman, raised the issue of implementing ICEGATE for SEZ units. A comprehensive discussion ensued among the RGC Members and DC NSEZ officials regarding

# ■ Status of Key Pending Issues

As on 15.7.2024

## 1. Exemption from compensation cess on imports in SEZ by SEZ Unit/Developer (resolved)

GST Council in its meeting on 22.6.2024, has recommended exemption from Compensation Cess leviable on the imports in SEZ by SEZ Unit/developer for authorised operations from 1st July, 2017. This issue became all the more important in view of the order dated 21st November 2023 by Hon'ble AP High Court (WP No. 1009 of 2019 and WP No. 6216 of 2021), highlighting the absence of Compensation Cess exemption for SEZ imports due to the non-inclusion of the GST (Compensation to States) Cess Act, 2017 in the SEZ Act 2005 or Section 26 of the SEZ Act.

## 2. Rollout of ICEGATE in SEZs

Government has extended RoDTEP to SEZs and EOUs vide notification No 70/2023 dated 8.3.2024. In case of SEZs, the scheme will be effective on IT integration of SEZs with ICEGATE. It is important that there is a smooth transition from SEZ Online to ICEGATE. The rollout has started from 1.7.2024. EPCES has shared the concerns of the members with DG Systems (ICEGATE), CBIC and D/o Commerce. It has been decided to have parallel operation of SEZ Online and ICEGATE till 15.7.2024. AS(SEZ), D/o Commerce and DG systems, CBIC had taken another review on 9.7.2024.

## 3. Status of amendment in SEZ Act/DESH Bill

It has been reported that D/o Commerce has included SEZ Amendment in the agenda for the first 100 days for the new Government. A draft Cabinet Note has been circulated for consultations. It is expected that zero rating for supplies to SEZ units will be continued, supplies to DTA

on duty-foregone basis and payment for supplies of services in INR will be enabled. Cabinet approval is the first stage.

## 4. Exemptions to EOUs from the DGFT Notification No 17/2024-25 dated 11.6.2024 and Notification No 19 dated 12.07.2023

A clarification needs to be issued that in view of FTP Para 6.01(d)(i), import made by EOUs under the HS Code 71131912/3/4/5 and 71131960 are outside the purview of Notification no 17/2024-25 dated 11.6.2024 and imports made by EOUs under the HS code 71131911, 71131919 and 71141910 are outside the purview of Notification No 19 dated 12.07.2023.

## 5. Modification in DGFT Notification 71/2023 dated 11.3.2024 for exemption from mandatory Quality Control Orders/BIS for supply by SEZs/EOUs to DTA exporters

DGFT has issued notification No 71/2023-24 dated 11.3.2024 making enabling provisions in the FTP 2023. However, EPCES has received representations from SEZ units which are importing /manufacturing goods (covered by QCOs) and supplying to MSME DTA exporters for manufacturing of export products. It is requested that DGFT Notification 71/2023 dated 11.3.2024 may be slightly amended to allow exemption from QCO for DTA clearance of such imported inputs by SEZ unit to DTA exporters with proper undertakings and documentation.

## 6. Duty free import of electrical items by exporters (handicraft/MSME sector)

D/o Revenue/CBIC to be requested to add the electrical items in the list of Customs notification no. 02/2022 dated 1st February, 2022 for duty free import by bona-fide exporters.



**7. Permitting IT/ITES developers for installation of Roof Top Solar Power plants as part of infrastructure/authorised operations for providing electricity in common areas.**

Vide Instructions No 116, the Development Commissioners have been requested to consider such requests from Developers/Co-developers in terms of Para I(i) of the DoC Power Guidelines dated 16.02.2016. However, it needs to be clarified that rooftop solar power plants should be permitted (irrespective of whether it is in processing area or in non-processing area) and the fiscal benefits should be available for both installation as well as its O&M as long as power is being used only within SEZ area and is not being supplied to DTA.

**8. Minor amendments in new SEZ Rule 11B - Only proportionate duty benefits to be returned**

Minor Changes in Rule 11B for IT/ITES SEZs should be carried out so that only proportionate duty benefits under Rule 11B (5(ii)) are to be returned for social and commercial infrastructure and no tax benefits under Rule 11B (9) should be ensured only on O&M of proportional common infrastructure and facilities.

**9. Draft Excise Bill 2024- Exemption to goods produced in SEZs and EOUs should be continued**

The existing provisions for SEZs and 100% EOUs in the present Excise Act may be retained in the proposed Draft Central Excise Bill 2024.

**10. Improving EODB - Streamlining endorsement of DTA invoices by SEZ SO/AO (In progress)**

a. Need for some sample/risk based rather than 100% invoices examination

100% examination of DTA invoices for endorsement by SOs/AOs creates heavy workload per AO/SOs leading to huge delays. Since 100% examination is there, SOs/AOs ask for physical copies of related documents

for their satisfaction of such DTA supplies before they endorse the invoices. This creates another problem. There should be uniform guidelines for some risk based sample (5-10%) examination of DTA invoices and endorsement of other invoices on self-certification basis to reduce time.

b. Physical rather than online endorsement

Further, there should be online endorsement of DTA invoices by the AO/SOs which should be acceptable by GST authorities so that DTA suppliers are able to get the due refund. API based integration of SEZ Online with GSTN SEZ should also be completed at the earliest.

**11. No export duty on DTA supplies to SEZ units**

There is no justification for levy of export duty on supply from DTA to SEZ. D/o Revenue should be insisted upon to agree for deletion of 5th proviso to the SEZ Rule 27(1) in this regard. DGEP has informed that the issue is sub-judice in Supreme Court. Exact order of the Supreme Court may please be examined if there is any stay. HC has ordered that export duty cannot be levied on supplies from DTA to SEZ.

**12. MIP condition on rejects/substandard waste goods transferred to DTA. MIP should not be applicable for SEZ/EOUs transferring goods to DTA, as some of the manufactured goods by SEZ units have been manufactured in India in SEZ/EOU but are of substandard quality and cannot be exported. MIP condition is meant for goods imported from foreign countries.**

M/s Pokarna Engineered Stone Limited, a SEZ unit and EPCES member, is facing problems disposing of substandard grade slabs generated during the manufacturing of export quality slabs due to the MIP restriction of US\$50 per square meter in the import policy. They have accumulated 16,020 substandard grade slabs and have requested a waiver of MIP, as well as the removal of the MIP of US\$50 per sqm insofar as it relates to sale by SEZ/EOU in domestic tariff area. They argue that

MIP should not be applicable for SEZ/EOUs transferring goods to DTA, as these goods have been manufactured in India in SEZ/EOU and are of substandard quality. Earlier, their request was considered and approved by the Policy Relaxation Committee in DGFT

### **13. Clarification on Return of Customs duty on inputs used in SEZ exports where export proceeds have not been realized**

SEZ Customs Authorities have recently asked units to surrender the Customs Duty on the inputs utilised in export production of exported goods of which the export proceeds could not be realised. AD banks have been permitting write-off of unrealized export proceeds within the 10% permissible limits to SEEPZ SEZ units in accordance with Para C.19(i) of Master Direction No. 16/2015-16 dated 01.01.2016 issued by RBI. This system of write-off, whether AD banks or RBI, is working smoothly and units are following it without any hassles. As of now there was no requirement of surrendering of Customs duty in the cases of write-off of concerning units in SEEPZ SEZ. SEZ units are guided by SEZ Act and Rules. SEZs are duty free enclaves with a mandate of export and achievement of Net Foreign Exchange Earning (NFE) to the extent and manner as stipulated under the SEZ Act and Rules. The Duty/ taxes become liable only on removal of goods to DTA or failure to achieve positive NFE stipulated under Rule 53 of SEZ Rules. There is no provision of surrender of duties on inputs.

The comments from DC SEEPZ have been sought by DoC on 5.4.2023 and 29.5.2023 who in return has sought comments from RBI. EPCES has requested DoC to expedite the resolution of the issue vide email dated 10.7.2023

### **14. Flexibility of Utilization of Non-Processing Area (Dual Usage) by developers for creation of social infrastructure.**

[Sub rule 3(c) of Notification G.S.R.5(E) dated 02/01/2015 under F.No. C.1/2/2014-SEZ]

- Internal restrictions for various uses (residential, commercial, institutional) were made applicable to SEZs based on DDA norms.
- Social Infrastructure in NPA-II does not enjoy any tax benefits. Considering the locational requirements, the developer would build & operate necessary structures / activities.
- Internal restrictions for creation of social infrastructure for this area would make land utilization unviable and the same would result in scarce land resource remaining vacant. (E.g. a small land parcel cannot accommodate all activities in the specified proportion)
- Rule 11A (amended on 02/01/2015) for Dual-Use NPA should be abrogated. Flexibility for developing social infrastructure need to be given to establish a sustainable SEZ.



## Members Queries Answered

S. No.	Query from Member	Response by Grant Thornton
1	Please guide whether Star export house holders are exempted for providing bank guarantee against B-17 Bond.	As per Para 1.29(c) of FTP, 2023, a status holder is exempt for furnishing bank guarantee for any scheme under FTP.
2	Please let me know while filing SOFTEX utility there are two options: 1. SOFTEX Contract (Gist of contract) Request I'd 2. Internal project code/Date It is mandatory to file Gist of contract online or Internal project code / date is sufficient to upload SOFTEX.	The unit is required to submit a Gist of contract once for a particular project, post which the contract details would automatically be mapped for each SOFTEX
3	Please clarify: 1. Is import duty/ anti-dumping duty applicable on steel used in fabrication of Topside / Jacket delivered from various Country of origins (India/ Korea/ Japan etc) OR it will be applicable on fabricated structure (Topside/ Jacket) with country of origin – India as it will be fabricated by L&T in India. 2. What % of anti-dumping duty/ Import duty applicable in USA on fabricated structure (Jacket/ Topside ) delivered from India 3. What % of anti-dumping duty/ Import duty applicable in USA for steel used in fabrication of Topside / Jacket delivered from India/ Korea/ Japan ?	Please find below reply to your queries: 1. As per sub-section 2A of section 9A of Customs Tariff Act, 1975, Anti-dumping duty shall not apply to articles imported by a 100% EOU or an SEZ unit, unless,- (i) it is specifically made applicable in such notification or to such undertaking or unit; or (ii) such article is either cleared as such into the DTA or used in the manufacture of any goods that are cleared into the DTA, in which case, anti-dumping duty shall be imposed on that portion of the article so cleared or used, as was applicable when it was imported into India. 2 & 3. For accessing the applicability of Anti-Dumping Duty on exports to USA, you may refer the given link: <a href="https://legacy.trade.gov/enforcement/operations/scope/index.asp">https://legacy.trade.gov/enforcement/operations/scope/index.asp</a>
4	Please suggest : 1. We have a branch office in Mumbai (Non-SEZ). Are we (SEZ Unit) permitted to undertake job work from our Mumbai branch (not for export). If yes, what are the procedures, duties, and taxes involved. 2. Can we send material to an overseas vendor (outside the country) for job work. If yes, is it mandatory for the SEZ unit to get the material back within a specific number of days, or do we also have the option to deliver it directly to the client's location (outside India). 3. What is the general timeline for getting back the material from the job work vendor after the completion of the work.	Subcontracting provisions are outlined in Rule 41 to 43 of SEZ Rules, 2006. Basis the same, please find below pointwise reply to your queries. 1. No, the SEZ unit cannot undertake job-work from any other premises. 2. Yes, the Development Commissioner may permit subcontracting of part of the production process abroad. In such cases, the goods can be exported directly from the subcontractor's premises abroad, subject to the following conditions: (a) Subcontracting charges must be declared in the export declaration forms, invoices, and other related documents. (b) The export proceeds must be fully repatriated in favor of the SEZ unit. (c) The goods can either be returned to the SEZ unit or sold directly to buyers in the subcontractor's country or any third country. 3. Goods need to be brought back within 120 days along with waste and remnants.

<p><b>5</b></p>	<p>We need your suggestions for the following cases:</p> <ol style="list-style-type: none"> <li>1. Can an SEZ unit give job work (export project) to a DTA vendor.</li> <li>2. Can an SEZ unit perform job work for a DTA customer.</li> <li>3. Can we return some defective imported goods to overseas seller. If yes, what is procedure.</li> <li>4. Is an SEZ unit allowed to import refurbished items for further export</li> </ol>	<p>Please find below pointwise response to your queries:</p> <ol style="list-style-type: none"> <li>1. As per Rule 41 &amp; 42 of SEZ Rules 2006, the SEZ units are allowed to subcontract a part of their production or any production process to DTA unit.</li> <li>2. As per Rule 43 of the SEZ Rules, 2006, a SEZ unit is permissible to undertake job work from a DTA unit for export on the basis of annual permission.</li> <li>3. As per Rule 27 (9) SEZ Rule 2006, if the goods imported are found to be defective, unfit for use, or damaged, then it may be sent outside the SEZ without payment of duty, for repair or replacement. You may refer the said rule for procedure.</li> <li>4. We understand that there is no separate provision in relation to import of refurbished goods. Accordingly, you may refer the general import policy under Rule 27 of SEZ Rules in this respect.</li> </ol>
<p><b>6</b></p>	<p>We are manufacturers and traders of stainless steel and aluminum cut pieces for aerospace components under SEZ., import inputs approved by AS/AMS (approved by Boeing and Airbus). We cut these inputs into pieces according to OEM standards and sell them to DTA units for further manufacturing, with the final export product being executed by DTA unit.</p> <p>With the new Notification No. 71/2023 issued by DGFT imposing certain conditions, we need clarification on whether we are allowed to sell manufactured goods, scrap generated during the manufacturing process, and waste pieces without getting registration for QCO for SEZ (Ministry of Steel and Ministry of Mines).</p>	<p>DGFT has introduced provisions for granting exemption from mandatory QCOs for inputs imported by SEZs, subject to certain conditions. It is important to highlight that the mandatory QCOs which have been issued by 4 ministries as mentioned in Appendix 2Y are exempt. Further, exemption from applicability of mandatory QCOs issued under the BIS Act, 2016, shall be provided to SEZ on import of inputs which are required for export production only. Accordingly, exemption on import of goods which are supplied to DTA unit is not available.</p>
<p><b>7</b></p>	<p>Please clarify if Russia's export payment can be received in INR as my supplier is facing issue in USD payment recently.</p>	<p>As per Rule 45(2) of SEZ Rules, 2006, a unit may export to Russia and receive payment in Indian Rupees. The buyer can make the payment through the State Credit or Escrow Rupee Account, subject to approval from the Reserve Bank of India if required.</p>
<p><b>8</b></p>	<p>Required to know if approval through LOA is mandatory for subcontracting for a DTA under Rule 43 of the SEZ Rules 2006. Can customs authorities reject our subcontracting request for a DTA unit on this basis.</p>	<p>Any new activity undertaken by the unit must be approved and included in its Letter of Approval (LOA). Therefore, the authority will not permit subcontracting unless this activity is specifically included in the LOA</p>
<p><b>9</b></p>	<p>Do we require to obtain any approval from SEZ authority for installation of personal Weigh Bridge (weighing capacity 60 MT), for our own exclusive internal usage. We request you to please guide us with the suitable notification/circular in this regard.</p>	<p>If the weighbridge is part of approved list of goods for authorized operations, it should be allowed. Alternatively, you may get the same included to the authorized list through approval by the Zonal DC. There is no need for a separate circular or notification.</p>
<p><b>10</b></p>	<p>The new DGFT notification no. 71/2023 have caused significant confusion and uncertainty in our organization. We need clear explanations and detailed procedures to understand and comply with the guidelines. Additionally, the policy change has led to unforeseen financial implications due to disruptions in scrap sales.</p>	<p>We understand it pertains to Notification No. 71/2023. Accordingly, we would like to mention that DGFT has introduced provisions for exempting inputs imported by SEZs from mandatory QCOs, subject to certain conditions. Notably, mandatory QCOs issued by four ministries, as listed in Appendix 2Y, are exempt. Additionally, SEZs are exempt from mandatory QCOs issued under the BIS Act, 2016, for inputs required solely for export production.</p>

<p><b>11</b></p>	<p>We are in an SEZ area, and a domestic premium customer is ready to place a job work order, with goods to be shipped directly to a foreign party from the SEZ unit. As per Rule 43 of SEZ Rules 2006, sub-contracting to DTA unit for export is allowed. However, the customer needs to know the exact procedure, and we have not found any precedent in other SEZs.</p> <p>We request guidance on the following points:</p> <ol style="list-style-type: none"> <li>1. Specimen documents (if possible).</li> <li>2. A short write-up on the steps involved in executing job work at SEZ for a DTA unit.</li> <li>3. Who will be the exporter of record on the shipping bill: SEZ or DTA unit.</li> <li>4. Whose IEC and AD code should appear on the shipping bill.</li> <li>5. Should the currency on the shipping bill be USD or INR.</li> <li>6. Should the SEZ unit receive payment in INR or USD for job work from the DTA unit, or will we raise a separate invoice in INR for job work. How does this affect shipping bill filed at SEZ customs.</li> <li>7. Will the process change for LCL and FCL movements from the SEZ.</li> <li>8. What is the process for supplying raw materials to SEZ unit for job work: on a challan or through a tax invoice.</li> <li>9. Can the DTA unit claim any export incentives like DBK or ROSCTL/RODTEP on the export product and raw materials supplied to the SEZ unit for job work.</li> </ol>	<p>Please find below pointwise reply to your queries:</p> <ol style="list-style-type: none"> <li>1. The transaction by the SEZ unit would be export of goods and therefore, export documents required for regular export would suffice i.e. export invoice and shipping bill.</li> <li>2. As mentioned under Rule 43 of SEZ Rules, 2006, a SEZ unit may on the basis of annual permission from the Specified Officer, undertake sub-contracting for export on behalf of a DTA exporter subject to the condition that all the raw materials including semi-finished goods and consumables including fuel shall be supplied by DTA exporter. Further process is answered in below replies.</li> <li>3. Export documents shall be jointly in the name of the DTA exporter and the SEZ unit.</li> <li>4. The IEC and AD code of both the DTA exporter and SEZ unit will be mentioned in the Shipping bill.</li> <li>5. The currency on the shipping shall be USD.</li> <li>6. The SEZ unit will raise a service invoice of job-work done to the DTA unit. The same shall be made in USD as per section 2(z) (iii) of SEZ Act 2005.</li> <li>7. No.</li> <li>8. Supply of goods from DTA to SEZ unit would be made under cover of delivery challan.</li> <li>9. The DTA exporter shall be eligible for refund of duty paid on the inputs by way of brand rate of duty drawback as per rule 43(d) of SEZ Rule 2006.</li> </ol>
<p><b>12</b></p>	<p>Please share a checklist for compliance to be done by SEZ unit on monthly / quarterly/ yearly basis.</p>	<p>Please find below the list of regular compliances along with their due dates:</p> <ol style="list-style-type: none"> <li>1. Monthly Progress Report (MPR) - 5th of the following month</li> <li>2. Service Exports Report Form (SERF) - 10th of the following month</li> <li>3. Softex (For software exports) - Within 30 days from the invoice date / date of last invoice raised in a month</li> <li>4. Half Yearly Performance Report (For Developers and Co-developers) - Within 30 days from the end of the Half Year</li> <li>5. Annual Performance Report (APR) - Yearly within 180 days from the end of the financial year duly certified by CA</li> <li>6. Registered Lease Deed Submission - Within 6 months from the date of LOA</li> <li>7. Import Export Code Updation - Yearly updation prior to 30th June, even if no change.</li> </ol>
<p><b>13</b></p>	<p>Please suggest whether we need to charge GST on different licensing fees paid to the treasury and on other expenses include travelling, printing and stationary, postage and courier etc. Also, please suggest the SAC code for raising the tax invoice.</p>	<p>With reference to Section 7 read with Section 15 of the CGST Act, 2017, reimbursement of license fee along with other charges, appears to be a taxable supply and applicable GST should be charged. The appropriate SAC code could be 998599 (Other support services).</p>

<p><b>14</b></p>	<p>Please guide:</p> <ol style="list-style-type: none"> <li>1. What is the format for issuing self certification.</li> <li>2. What are compliance requirement to issue the same.</li> <li>3. Which Tariff's are eligible.</li> <li>4. How to process the above certification</li> </ol>	<p>With reference to your query related to self certification format, you may visit the given URL which includes the certain formats basis the product specification - <a href="https://www.gov.uk/guidance/using-a-suppliers-declaration-to-support-a-proof-of-origin">https://www.gov.uk/guidance/using-a-suppliers-declaration-to-support-a-proof-of-origin</a></p>
<p><b>15</b></p>	<p>Kindly let us know the procedure how to do self certification with regards to Trade Notice 39/2023-24 for Exports.</p>	<p>We understand that the trade notice talks clarifies that Indian exporters are now directed to use origin declaration wording under the DCTS scheme instead of the previous GSP wording. This implies that exporters need to ensure compliance with the specific requirements outlined under the DCTS for their products. The notice provides URLs where detailed information on the DCTS can be accessed. These resources are essential for exporters to understand the new policies, requirements, and procedures involved in availing tariff concessions under the DCTS.</p>
<p><b>16</b></p>	<p>We are involved in manufacturing of Antibiotic formulations. We are doing the licensing activities with Drug control department for our buyers and helps them in getting the required licenses for manufacturing the goods at our factory. We are reimbursing such costs from our clients through financial debit note. But while settling such debit notes our clients are deducting TDS. Is there any requirement of GST invoice in such cases.</p>	<p>According to Section 34(3) of the CGST Act, 2017, a registered person can issue a debit note for an undercharged tax invoice. However, for expense reimbursements, issuing a debit note is not permitted under GST regulations. Therefore, a GST invoice must be issued for such transactions. Further, please note that tax may be deducted at specified rates under Income Tax Act.</p>
<p><b>17</b></p>	<p>We are a new startup. How can we register under EPCES as an exporter. We are into candle manufacturing &amp; other related stuff.</p>	<p>You may apply for Registration-cum-Membership Certificate (RCMC) which is a membership certificate issued by EPCES at DGFT portal by using the below link: <a href="https://www.dgft.gov.in/CP/">https://www.dgft.gov.in/CP/</a></p>
<p><b>18</b></p>	<p>The E-Waste Management Rules 2022 apply only to manufacturers, producers, recyclers, refurbishers, and dismantlers, not to end-users, consumers, or importers. The FAQ also states that registration is required only for these categories. However, customs officials are insisting on EPR Authorization for importing any electrical or electronic equipment. We request clarification on this requirement.</p>	<p>Your understanding is correct. The E-Waste (Management) Rules, 2022 apply to manufacturers, producers, refurbishers, dismantlers, and recyclers involved in the manufacture, sale, transfer, purchase, refurbishing, dismantling, recycling, and processing of e-waste or electrical and electronic equipment listed in Schedule I. However, please note that certain importers are classified as "producers" under Rule 3(t) of the E-Waste (Management) Rules, 2022. You may refer to this rule for the categorization of imports eligible for EPR Authorization.</p>
<p><b>19</b></p>	<p>I would like to understand more about DTA sales (services). We are in the SIM card and Smart Card business, and our customer wants a software service in the DTA. Please guide:</p> <ol style="list-style-type: none"> <li>1. Can we provide this service to them. If yes, what documents need to be submitted to customs.</li> <li>2. Are there any specific rules or notifications regarding DTA (service) sales.</li> </ol>	<p>An SEZ unit may sell goods and services with the payment of Customs duties, according to Rule 47 of the SEZ Rules, 2006, in conjunction with Section 2(z) of the SEZ Act, 2005. These sales are subject to the terms and conditions outlined in Rule 47. Additionally, the revenue from the supply of services must be earned in foreign exchange.</p>
<p><b>20</b></p>	<p>Whether the membership subscription fee paid to Nasscom qualifies as authorized services and is eligible for GST exemption.</p>	<p>Membership service fees paid to Nasscom are considered to be for authorized operations and may be categorized under entry no. 67 - "Management and business consultant services" in the default list of services.</p>

<p><b>21</b></p>	<p>We are facing a significant issue with our AD Bank (Kotak Bank) regarding SOFTEX reporting to the RBI. Despite providing all necessary documentation, the bank's backend team has processed several transactions inaccurately, resulting in incorrect matching of payments to invoices.</p> <p>As a result, most remittance balances are either unavailable or insufficient to offset against the original invoices. Our attempts to address this with the senior management at the AD Bank have been unsuccessful, and this issue has persisted for over two years.</p> <p>This has led to non-compliance with regulatory requirements, and we have started receiving automated notifications from RBI/EDPMS without any option to directly address the issue with them. We are dependent on the AD bank, which seems unable to resolve this.</p> <p>We would greatly appreciate any insights or examples of similar cases to help us navigate this situation with the AD Bank and the RBI.</p>	<p>It is mandatory for both the AD bank and the Company to maintain records of all remittances received or Foreign Inward Remittance Certificates (FIRC)s issued in connection with invoices. These remittances should be reconciled and knocked off against the invoices reported on the EDPMS portal. Any discrepancies found during this reconciliation process may result in non-compliance with FEMA guidelines. Additionally, we recommend that the Company may liaise with senior personnel at the AD bank to reconcile the past remittances and closure of any outstanding compliances on the EDPMS portal. In absence of this compliance, we do not see any alternative solution.</p>
<p><b>22</b></p>	<p>Please guide, what are the QCOs that are released so far and its applicability to materials that are imported into SEZ and sold in DTA. Can you share references from where we can get the details, please note that we are not moving within the same legal entity. We are moving to 3rd party which is one of our group company. Please guide us on the process.</p>	<p>To ensure the availability of quality products to consumers, Quality Control Orders (QCOs) are issued by various Ministries/ Departments of the Government of India under the authority vested by section 16 of the Bureau of Indian Standards Act, 2016, mandating adherence to Indian Standards for products. Recent notifications specify that QCOs issued by the Ministries of Mines, Textiles, Steel, and DPIIT will not apply to imports made by SEZs and EOUs solely for export purposes. Consequently, the unit will need to obtain the relevant certificate at the time of imports, specifically for sales in DTA. If the DTA unit fails to meet the conditions outlined in Notification no. 56/2023, they are obligated to obtain import authorization, even in cases of transfer to a third party.</p> <p>Further, to initiate the process for obtaining the import authorization, please refer to the link provided below - <a href="https://www.indiafilings.com/learn/dgft-online-module-for-import-authorization/">https://www.indiafilings.com/learn/dgft-online-module-for-import-authorization/</a></p>
<p><b>23</b></p>	<p>Please clarify if an import authorization is required for DTA units to transfer laptops from SEZ to DTA as a branch transfer, given the SEZ is engaged in IT/ITES, not laptop manufacturing. Additionally, we cannot select the SEZ port code in the DGFT portal for the port of import column. Can we transfer laptops from SEZ to DTA without import authorization.</p>	<p>Transferring of secondhand laptops between SEZ unit and DTA unit of the same legal entity, the DTA unit shall obtain import authorization for bringing secondhand laptops into DTA premises. The only exception to this requirement is provided under Notification No. 56/2023, read in conjunction with paragraph 2.31 of FTP 2023, which outlines specific conditions such as the number of years of use that must be met to qualify for the exemption. You may refer the same for further details.</p> <p>Further, regarding the issue faced on the DGFT portal related to the port code, we recommend raising a grievance on the DGFT portal. The relevant team should resolve the issue promptly.</p>
<p><b>24</b></p>	<p>Is it possible to delete the filed invoices in SOFTEX.</p>	<p>The invoices once filed in SOFTEX form cannot be deleted. The unit needs to cancel the said SOFTEX Form using cancellation of SOFTEX form feature available at SEZ online portal under SOFTEX functionality only.</p>

<p><b>25</b></p>	<p>One of our customers located in USA has requested us to issue an invoice in Indian Rupees and deliver the goods to USA. Also the purchase order will be issued in Indian Rupees. We have the following queries:</p> <ol style="list-style-type: none"> <li>1. Is it permissible under FTP to conduct physical export transactions to the USA and invoice in INR.</li> <li>2. Does this transaction to USA in INR qualify for NFE computation under the SEZ Act/ Rules.</li> <li>3. Are physical exports invoiced in INR eligible for claiming incentives under the RoDTEP scheme.</li> </ol>	<p>Please find below pointwise reply to your queries:</p> <ol style="list-style-type: none"> <li>1. Please note that RBI has allowed invoicing and payments for international trade in INR vide A.P. (DIR Series) Circular No. 10 RBI/2022-2023/90 dated 11 July 2022 read with Para 2.52(d)(ii) of FTP 2023. Further, the framework put in place by RBI for settlement of trade transactions in INR shall take place through the Special Rupee Vostro Accounts opened by AD banks in India for any partner country seeking to undertake trade with India in INR in terms of said circular. Accordingly, the unit needs to see if the partnering country falls under the list of such countries.</li> <li>2. As per Rule 53 of SEZ Rules, 2006, export to overseas customers in INR cannot be taken for NFE computation.</li> <li>3. As per Para 2.53(ii) of FTP 2023, exports proceeds realized in INR as per the above-mentioned Para 2.52(d) (ii) of FTP are eligible to avail the export benefits/incentives.</li> </ol>
<p><b>26</b></p>	<p>We have been obtaining payment aggregator services from a supplier (similar to Razorpay) with HSN- 997158. This service is not explicitly listed among the approved 67 services. Could you please clarify whether a SEZ unit can procure this service with GST at 0%. If possible, kindly confirm under which category from the list of 67 services this can be classified.</p>	<p>We understand that the unit is procuring financial support service from the vendor. The service appears to be procured for authorized operations which may fall under entry no. 6 "Banking and other financial services" or entry no. 64 "Business Support service" under uniform list. You may approach the jurisdictional AO for precise categorization of said service under uniform list.</p>
<p><b>27</b></p>	<p>Is duty applicable on disposal of non-recyclable plastic scrap which is mandated by government as we are paying disposal charges for the same. In case it is not applicable, please let us know the process of such removal without duty.</p>	<p>SEZ law does not specify a particular procedure for handling non-recyclable waste. However, according to Rule 39 of the SEZ Rules 2006, SEZ units are permitted to dispose of manufactured goods/ rejects/ waste/ scrap within the SEZ without paying applicable duties. This process should be carried out after notifying the Specified Officer of the unit in advance and obtaining any necessary environmental clearances.</p>
<p><b>28</b></p>	<p>We seek clarification on whether Notification no. 56/2023 dated 1 January 2024, applies to donations made under Rule 49(4)(c) of SEZ Rules 2006, specifically regarding desktops that are older than 5 years from the manufacturing date.</p>	<p>As per the provisions of Notification 56/2023 - FTP read with rule 49(4)(c) is enabling provision and has to be complied with in a strict sense. Therefore conditions mentioned in the provisions are required to be satisfied for donating IT assets to avoid any non-compliance.</p>
<p><b>29</b></p>	<p>whether the SEZ unit can give service to EOU unit along with goods. Please specify the procedure.</p>	<p>SEZ units may undertake sub-contracting on behalf of EOU. As per Rule 43 of the SEZ Rules, 2006, a SEZ unit is permissible to undertake job work from a DTA unit for export on the basis of annual permission. Such sub-contracting is permissible for the SEZ unit subject to the condition that the DTA exporter should supply all raw material including semi-finished goods and consumables including fuel etc and the finished goods are exported directly by the SEZ unit on behalf of the DTA exporter from the SEZ (except in case where the DTA unit is EOU/EHTP/STP/BTP unit wherein the export can take place from SEZ or the DTA unit). Export documents such as shipping bill and tax invoice in these cases are required to be filed jointly in the name of DTA exporter and SEZ unit in the SEZ. However, such exports are not counted for the discharge of export obligation including NFE of the SEZ unit.</p>



<p><b>30</b></p>	<p>What is ECGC. Please guide on the procedure to get ECGC insurance for my container to be exported.</p>	<p>Export Credit Guarantee Corporation (ECGC) is a central government undertaking body, focused on boosting exports by offering credit risk insurance and related services to exporters. Over time, ECGC has created various insurance products tailored to the needs of Indian exporters. It functions as an export promotion body, aiming to enhance the competitiveness of Indian exports by providing credit insurance coverage.</p> <p>ECGC administers the National Export Insurance Account (NEIA) Trust, supporting significant project exports. It also offers a variety of export credit insurance schemes to help banks provide exporters with timely and adequate credit facilities. ECGC maintains optimal premium rates and provides three main services:</p> <ol style="list-style-type: none"> <li>1. Insurance for Indian exporters against non-payment due to commercial or political risks.</li> <li>2. Credit insurance for banks and financial institutions to extend credit facilities to exporters.</li> <li>3. Export factoring for MSME sector, which includes working capital financing, credit risk protection, and managing export receivables from international buyers.</li> </ol> <p>Further, you may visit the ECGC website by using the below link to procure the relevant insurance product.</p> <p><a href="https://main.ecgc.in/english/product-and-services/">https://main.ecgc.in/english/product-and-services/</a></p>
<p><b>31</b></p>	<p>Our DTA unit receives export orders from clients. The customer provides Free Issue Materials (FIM), which the DTA unit uses for manufacturing and supplies them to our SEZ unit for Final Assembly and Testing. Once completed, our SEZ unit prepares the final goods for export, and the DTA unit exports them from our SEZ unit. In this background, please clarify on below points:</p> <ol style="list-style-type: none"> <li>1. Can our SEZ unit import Free Issue Materials (FIM) duty-free on behalf of our DTA unit.</li> <li>2. Is there any tax applicability on components supplied by the DTA unit to our SEZ unit, considering they are FIM.</li> <li>3. What are the tax implications for the SEZ unit invoicing the DTA unit for value addition regarding Assembly and Testing such as GST payable only on the value addition or on the entire amount including FIM, is customs duty applicable on the value addition of the SEZ unit and whether an SEZ unit conduct this under merchanting by paying 0.1% IGST.</li> <li>4. Can the DTA unit file the Shipping bill with the SEZ and clear the goods directly without payment of duties and taxes.</li> </ol>	<p>We acknowledge the unit's inquiry regarding subcontracting arrangements, where the SEZ unit conducts job work on behalf of a DTA unit. Please note that, according to Rule 43 of the SEZ Rules, 2006, a SEZ unit is permitted to engage in job work for export purposes on an annual permission basis from a DTA unit. This subcontracting is permissible under the condition that the DTA exporter supplies all raw materials, including semi-finished goods and consumables like fuel, and the finished goods are directly exported by the SEZ unit on behalf of the DTA exporter from the SEZ.</p> <p>Further, export documentation such as the shipping bill and export invoice must be jointly filed in the name of the DTA exporter and the SEZ unit. However, these exports do not count towards fulfilling the export obligation, including NFE, of the SEZ unit.</p> <p>The DTA unit supplying inputs to the SEZ unit is done under cover of delivery challan. Subsequently, the SEZ unit issues a service invoice only for the job work performed for the DTA unit.</p>
<p><b>32</b></p>	<p>Are the services for canteen maintenance, rework, and gardening upkeep eligible or covered under the authorized service operations for an SEZ unit for tax exemption utilization.</p>	<p>Both services are not forming part of default list of services. Accordingly, no tax exemption available to the SEZ unit.</p>

33	Rule 89 (4B) lacks a defined formula and in the absence of a formula in Rule 89 (4B), we maintain that the formula should align with that prescribed in Rule 89 (4). However, the GST department is considering adopting an input-output formula, citing a recent court judgment which we believe may not apply uniformly. Please guide.	Rule 89(4B) of CGST Rules, 2017 specifies the refund process for cases where an EOU avails exemption under the notification mentioned in the rule. Further, the said rule provides the formula of one to one correlation of imported goods with the exports made during the relevant period. Accordingly, formula outlined in Rule 89(4) cannot be used for determining refund amount in above-mentioned scenario.
34	Can you verify if our EOU's GST refund claims should be filed under Rule 8 (4B) instead of Rule 89 (4) of the CGST Act 2017, as per Customs Notification 78/2017, and confirm if other EOUs importing raw materials duty-free under Annexure III are following the same approach	Rule 89(4B) of the CGST Rules, 2017 specifies that if a unit is claiming exemption under Notification No. 78/2017 - Customs dated October 13, 2017, then the refund must be claimed according to this specific sub-rule. Consequently, the department's contention in this regard appears to be valid
35	Whether interest equalisation scheme for promoting exports (MSME) is applicable to software exporters.	As per the RBI Circular no. RBI/2023-24/124 DOR.STR. REC.78/04.02.001/2023-24 dated 22 February 2024, the rate of interest equalization shall be 2% for Manufacturers and Merchant Exporters exporting under specified 410 HS lines and 3% to the MSME manufacturers exporting under any HS line. Accordingly, the scheme does not extend to service industry per se.
36	Please confirm whether SEZ unit can take up works contract(material+service) for EOU unit. If yes, please let us have rule provisions.	Kindly refer to Rule 43 of SEZ Rules 2006, wherein SEZ units can undertake sub-contracting for an EOU unit.
37	Our SEZ unit imported goods that do not meet specifications and is selling them to a DTA unit under Rule 25 of the SEZ rules. If the goods were directly imported by the DTA unit, they would qualify for Nil Customs Duty under the Free Trade Agreement (FTA). Can the sale from SEZ to DTA still benefit from the FTA if the necessary documents are provided at the time of clearance from SEZ to DTA.	As per Rule 47 of the SEZ Rules 2006, SEZ units can clear goods into DTA by paying the relevant duty determined at the time of clearance. Additionally, please note that FTAs are considered while evaluating import/export permissions across different countries. However, when clearing goods from SEZ to DTA, FTAs are not applicable. Instead, the unit would be required to refer to the Customs Tariff Act 1975 for computation of custom duty at the time of clearance
38	The amendment of BOE for previously imported free-of-cost moulds from Germany, which are now to be billed to the party, we wish to note that some of these moulds date back to 2003 and 2004. Is it possible to amend the BOE in such cases. Additionally, what will be the value in amended BOE.	As per the procedure outlined in Chapter 3 (point 35) of Customs manual regarding the amendment of Bill of Entry (BOE), there is no time limit specified for modifying a BOE. The duty shall be payable as per current rate on the original invoice value. An alternate option in such scenario is that the unit may proceed to make payments to the German party based on the existing BOE. This must be accompanied by a declaration from the SEZ unit and the seller specifying the payment arrangement and agreement, along with a certificate from a chartered accountant confirming the current value of the goods. (Refer - RBI's Master Circular No. 7/2011-12 dated 1st July 2011).
39	According to the West Bengal SEZ Policy, SEZ Developers are entitled to a 100% waiver on electricity duty. However, with the introduction of Rule 11B in the SEZ Rules, there may be implications from the Electrical authority – WBSEDCL for Developers who plan to demarcate a partial area for Non-Processing Area (NPA) in accordance with Rule 11B.	Yes, tax exemptions to developer/co-developer will not be available proportionate to space demarcated as non-processing area as per newly inserted rule 11B to SEZ Rules.

40	Please elaborate about IT and ITES services. Also, please specify which types of services fall under IT and which ones fall under ITES.	<p>There is no specific provision or rule which provides for definition of Information Technology (IT)/ Information Technology Enabled Services (ITES) under FTP/SEZ law.</p> <p>However, in general parlance, IT refers to the use of computers, software, networks, and other technologies to manage and process information. IT services involve various technologies and applications that support businesses, organizations, and individuals in their operations. Services under IT may include Software Development, Network Management, Cybersecurity, Infrastructure Management, Database Management, IT Consulting, Cloud Computing etc.</p> <p>While ITES refers to services that utilize information technology to support and enhance various business processes. ITES services are often outsourced to specialized companies and include services such as Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO), Customer Support, Technical Support, HR Services, Back Office Operations, Content Management etc.</p> <p>In summary, IT services are primarily focused on the development and management of technological systems and applications, while ITES services use technology to enhance and support various business processes.</p>
41	if the Developer chooses to go with NPA, what steps should be taken moving forward.	While procedure is defined in Rule 11B itself, however this being a task involving lots of ground work, smart representation before various authorities is a specialized service that we can offer under separate commercial arrangement.
42	Being an EOU, can we supply our goods to a company registered in SEZ. If so how the shipment should be done as the goods are finally to be shipped to Ukraine. Will such shipments be considered as our export. Can we supply on the basis of LUT. Further, the purchase order be in USD and the SEZ unit is ready to settle the payment also in USD.	<p>As per Notification no. 52/2003 read with Para 6.09 of FTP 2023, an EOU can undertake supply to the SEZ unit, provided that such goods are permissible for procurement as mentioned in Para 6.01 and the unit meets the conditions mentioned in Para 6.19 of HBP 2023. Additionally, Paragraph 6.08(c) of the FTP states that sales to a SEZ unit shall be included in the calculation of NFE by the EOU, provided payment for these sales are made in foreign currency.</p> <p>Further as per Section 16 of IGST Act 2017, supplies made to SEZ units for authorized operation would qualify as zero rated supply, which can be made under the cover of LUT by the EOU.</p>
43	We are amalgamating with one of our sister concern to improve our company's financial health. We hold certificates and licenses such as LOP and Green Card for 100% EOU, permission for self-sealing of export cargo, One Star Export House certificate and RCMC from EPCES. We seek advice on whether the certificates and licenses can be transferred to the new company after amalgamation.	In case of merger of two or more companies sanctioned by an order of a High Court, Tribunal, or otherwise, where the acquiring company exists and the acquired company is required to transfer all its assets and liabilities to the acquiring company. After such an order is received, the change needs to be intimated to the jurisdictional officer and accordingly, the unit may be required to furnish the revised LOP and other certificates/licences with the respective authorities.
44	Is there any timeline that has been stipulated as maximum for obtaining GST refunds from: 1. Centre (IGST) 2. State (RFD / LUT route)	According to section 54 of the CGST Act, 2017, taxpayers have the option to file refund under GST up to 2 years from the relevant date, as defined in the explanation following sub-section (14) of section 54 under both the scenarios i.e. applying refund under with payment of tax and under LUT mode.

<p><b>45</b></p>	<p>We are 100% EOU with a valid LOP for production and sale of laminated windscreens, and we operate an in-house facility for manufacturing packing materials (wooden crates). We are considering using this facility to produce packing materials for sale to nearby SEZ units. Please help us address the following questions:</p> <ol style="list-style-type: none"> <li>1. Can we produce and sell these packing materials to an SEZ unit?</li> <li>2. If yes, do we need any additional permissions?</li> <li>3. Do we need to notify anyone before starting this new business?</li> <li>4. Are there any special instructions or additional requirements to fulfill?</li> </ol> <p>Please guide us on how to proceed with starting this new venture on the existing premises.</p>	<p>We understand that the EOU is venturing into a new operation of manufacturing wooden cartons, which is beyond their current authorized operations. It's important to note that EOUs are permitted to broaden their activities for similar goods and activities outlined in their LoP, or to establish backward or forward linkages to their existing line of manufacture, which doesn't apply in this scenario. Therefore, prior to incorporating a non-similar product into their LoP, the unit should carefully evaluate the regulatory requirements and seek approval from the jurisdictional officer.</p>
<p><b>46</b></p>	<p>This is regarding EPR registration for plastic waste management for our 100% EOU under the STP and SEZ scheme, in accordance with the attached notification of the Plastic Waste Management (Second Amendment) Rules, 2023. We seek clarification on the condition stating, "pre-consumer plastic waste generated by such units is not exempt from the above provision." As an IT-ITES company, we import goods for our own use and not for resale. Please advise us on whether we fall under this condition and need to obtain EPR registration for plastic waste management.</p>	<p>Rule 2 of Plastic Waste Management Rules was amended on 30th October 2023. As per the Plastic Waste Management (Second Amendment) Rules, 2023, Rule 9(1) i.e., EPR guidelines shall not apply to the EOU, SEZ units, and to other units manufacturing plastic packaging or on plastic packaging used for packaging products for export against an order for export (except for pre-consumer plastic waste). It is important to note that the said exemption provided is not applicable to pre-consumer plastic waste. Pre-consumer plastic waste has been defined under rule 3(ra) as 'means plastic packaging waste generated in the form of reject or discard at the stage of manufacturing of plastic packaging and plastic packaging waste generated during the packaging of product including reject, discard, before the plastic packaging reaches the end-use consumer of the product'.</p> <p>On preliminary reading, it may appear that a company in the service industry importing goods for captive consumption may not fall under the said definition. However, it is pertinent to note that based on the understanding shared by the Ministry if any plastic waste gets generated and dumped in India, then EPR guidelines are required to be complied with. Thus, in case any plastic waste is getting generated in India, you may consider raising the said query before the EPR helpdesk at <a href="mailto:epplastic.cpcb@gov.in">epplastic.cpcb@gov.in</a>.</p>
<p><b>47</b></p>	<p>We have been manufacturing and exporting tires since 2008. We are selling manufacturing and packing scrap in the DTA market, paying full customs duty. Manufacturing scrap is handled by a pollution control board registered dealer, but non-manufacturing scrap like iron and aluminum is sold without registration due to small quantities. Customs officials insist on disposing of all scrap through pollution control registered dealers. Please clarify.</p>	<p>As per Central Pollution Control Board, only hazardous waste needs to be disposed of to a registered dealer authorized by the Pollution Control Board. In case the scrap as mentioned in your mail does not fall under the category of hazardous waste, the same can be disposed of to any vendor.</p>

48	<p>We imported free-of-cost (FOC) moulds from our German counterpart under procurement certificate/IGCRD, so we didn't pay for them. Now, our German partner wants us to buy the moulds and pay for them. Since we declared these moulds as FOC in our Import BOE, how can we remit payment to Germany. Normally, we need to submit the invoice and Import BOE to the bank for remittance. Do we need to pay any customs duty on this transaction. We're not planning any de-bonding as the moulds will stay in EOU premises. Around 50% of the entire moulds' warehousing period has expired (beyond 10 years). We seek advice on regularizing the moulds from FOC to payment and on how to pay for these older FOC moulds to Germany. What documents and approvals do we need, and from whom.</p>	<p>You will have to get the BOE amended basis the revised invoice provided by your German supplier. You should be able to make payment post amendment in BOE. Your CHA can help you through the process.</p>
49	<p>Our customer in US had sent 1 No. Cisco Router to our SEZ unit. The same was cleared from customs under bill of entry and by paying applicable duty. Is there is any provision to transfer duty paid goods from one SEZ unit to another SEZ unit without payment of duty.</p>	<p>As per Rule 34 of SEZ Rules, 2006, the unit may transfer the goods imported into the zone to another unit without payment of duty on the same.</p>
50	<p>What is the difference between GCA Exports &amp; RPA Exports.</p>	<p>In the context of international trade and finance, General Currency Area (GCA) and Rupee Payment Area (RPA) refer to two different zones for trade payments:</p> <p>General Currency Area (GCA):</p> <ul style="list-style-type: none"> <li>- The GCA refers to countries with which a particular country (such as India) conducts trade and settles payments in freely convertible foreign currencies like the US dollar, the euro, or the pound sterling.</li> <li>- In the GCA, exports and imports are invoiced and settled in the currency agreed upon by the trading partners, usually a widely accepted international currency.</li> <li>- Trading in the GCA allows for flexibility in payment methods and is often chosen for ease of transaction and widespread acceptance.</li> </ul> <p>Rupee Payment Area (RPA):</p> <ul style="list-style-type: none"> <li>- The RPA is a zone where trade and financial transactions are conducted using the Indian rupee (INR) as the settlement currency.</li> <li>- RPA is typically used for trade between India and specific neighboring or partner countries where mutual agreements have been established for settling trade transactions in rupees.</li> <li>- This system can be advantageous for countries within the RPA as it minimizes foreign exchange risk and can facilitate trade by removing the need for currency conversion.</li> </ul> <p>In summary, GCA exports are trade transactions conducted using internationally accepted currencies, while RPA exports refer to trade transactions settled in Indian rupees between India and certain partner countries within the Rupee Payment Area.</p>

51	please clarify what is the maximum date by which the department has to refund the amount due, from the date of filing of RFD-01 or filing GSTR-3B under IGST payment route.	There is a timeline of 60 days within which refund should be sanctioned after acknowledgment of RFD01 on the portal. Department has 15 days time to acknowledge or issue a deficiency note from the date of filing online refund application. Refer section 56 of CGST Act.
52	Please clarify, as a 100% EOU under the STP scheme and SEZ Unit do we need to obtain Import Authorization from DGFT for import of Laptops, Tablets, All-in-one Personal Computers, Ultra small form factor Computers and Servers falling under HSN 8471 . We use these assets procured under said chapter heading for self consumption and our operations and it contradicts Policy circular no. 6/2023-24 dated 19.10.2023.	Policy Circular No. 9/2023-24 provides additional clarification regarding Notification 23/2023 dated August 3, 2023, which restricts the requirement for obtaining valid import authorizations for the import of goods in five specified categories. However, Circular No. 06/2023-24 extends the provisions of Notification 23/2023, exempting EOUs and SEZs from needing to obtain import authorization.  As per Circular 6/2023-24, your EOU and SEZ unit are not required to secure import authorization or registration for the importation of IT hardware, which is restricted under Notification 23/2023 and intended specifically for captive consumption.
53	Please clarify, as an 100% EOU under the STP scheme, do we need to obtain Import Authorization from DGFT for import of Laptops, Tablets, All-in-one Personal Computers, Ultra small form factor Computers and Servers falling under HSN 8471 . We use these assets procured under said chapter heading for self consumption and our operations and it contradicts Policy circular no. 6/2023-24 dated 19.10.2023.	Policy Circular No. 9/2023-24 provides additional clarification regarding Notification 23/2023 dated August 3, 2023, which restricts the requirement for obtaining valid import authorizations for the import of goods in five specified categories. However, Circular No. 06/2023-24 extends the provisions of Notification 23/2023, exempting EOUs and SEZs from needing to obtain import authorization.  As per Circular 6/2023-24, EOUs are not required to secure import authorization or registration for the importation of IT hardware, which is restricted under Notification 23/2023 and intended specifically for captive consumption.
54	Please clarify below points as well:  1. Regarding the query no.2, the unit registered in Tamilnadu has engaged unregistered transporter in other state (Andhra pradesh) for movement of goods from a Granite Quarry in Andhra pradesh to nearby sea port for export shipment. In such case, whether the payment of GST under RCM is to be paid under IGST or CGST/SGST by the recipient of service who has business premise registered in Tamilnadu.  2) Whether RCM applies only for the notified services and goods for which supply was made from unregistered party to registered party or is it applicable to all supplies received by registered party from unregistered party.  3) Whether RCM ITC would auto appear in GST portal or should we need to manually add the value in eligible credit of GSTR-3B in subsequent month.	Please find pointwise reply to your query as below:  1. In accordance with Section 12(8) of the IGST Act, 2017, the place of supply for transportation of goods services provided to a registered recipient is the location of their registered premises, which in this case is Tamil Nadu. The supplier's location, i.e., the transporter, is also in Tamil Nadu. Therefore, under Section 7 of the IGST Act, the transaction is classified as an interstate supply and subject to IGST.  2. Please note that the RCM applies to specific notified services and goods, regardless of the registration status of the supplier.  3. ITC for RCM transactions must be entered manually in the GSTR-3B return in order to claim the benefit of ITC.
55	We operate multiple SEZ, DTA, and STPI units within a single entity. Do we need to maintain separate books of accounts (P&L and TB) for each unit (whether SEZ, DTA, or STPI) according to SEZ and GST provisions? Please clarify.	Rule 19(7) of SEZ Rules 2006 states that if an entity operates both Domestic Tariff Area (DTA) and Special Economic Zone (SEZ) units, they are obligated to uphold two separate identities, each with their own distinct set of books of accounts.

<p><b>56</b></p>	<p>We require your clarification on the below cases under RCM:</p> <ol style="list-style-type: none"> <li>1. Whether RCM under GST is applicable only for intra-state supply of services/goods or applicable for inter-state supply also.</li> <li>2. Whether RCM is payable under IGST Component (or) CGST/SGST Component by the unit in Tamilnadu, having utilized transportation services from unregistered party in other state. As per Section 24 of CGST Act, compulsory registration is mandatory for persons engaging business in inter-state supply, irrespective of threshold value. In such case, I believe that the question of RCM does not arise when service is availed from inter-state supply. Please clarify.</li> </ol>	<ol style="list-style-type: none"> <li>1. Please note that the place of supply for categorizing goods or services under GST is governed by the place of supply provisions under Sections 10 to 13 of the IGST Act, 2017. These provisions also apply to determining RCM liability, which means that RCM under GST could be applicable for both intra-state and inter-state transactions depending on the place of supply.</li> <li>2. Your question is not clear with reference to transportation of goods or passengers. Accordingly, you may refer to Section 12(9) of IGST Act, 2017 to determine the type of tax in relation to passengers transportation services and Section 12(8) of IGST Act, 2017 for transportation of goods.</li> </ol> <p>Additionally, regarding your query on compulsory registration under Section 24, please note that under clause (iii) of this section, any person required to pay tax under RCM must obtain GST registration regardless of any threshold limit. It is also to be noted that RCM is levied on specific transactions regardless of nature of taxpayer.</p>
<p><b>57</b></p>	<p>we need to know is there any kind of registration procedure to be done before taking up the export process to Philippines.</p>	<p>For export of goods from India, you must have a valid Import-Export Code (IEC), RCMC and Certificate of Origin for goods being exported. Shipping related information shall be provided by your CHA only.</p>
<p><b>58</b></p>	<p>Please guide on the documentation formalities for exporting of pharmaceutical products to Philippines.</p>	<p>Please find below list of documents required for export of goods:</p> <ul style="list-style-type: none"> <li>- Copy of Tax invoice;</li> <li>- Copy of bill of lading or airway bill;</li> <li>- Copy of Shipping bill</li> <li>- Copy of Insurance documents, if shipments are sent CIF;</li> <li>- Copy of Packing list;</li> <li>- Copy of Certificate of Origin (COO)</li> <li>- Copy of Export license</li> <li>- Any other (as specified)</li> </ul>
<p><b>59</b></p>	<p>We want to sell a used vehicle to someone outside the SEZ which was bought in 2013. No tax exemptions were claimed. Do we need to pay customs duty on such sale. We understand that 18% GST on the difference between the sale price and the current value is required to be paid. Please confirm.</p>	<p>You may refer to Rule 34(iv) of SEZ Rules, 2006, read Rule 49(1) of SEZ Rules, 2006 for removal of used car from SEZ to the DTA, which may attract applicable IGST on this transaction. The concessional rate of GST on old and used vehicles may be applicable, as specified in Notification No. 9/2018 – Integrated Tax (Rate). Please note that it is important to verify the specific details and conditions mentioned in the notification.</p>
<p><b>60</b></p>	<p>We plan to establish a new unit for assembling and manufacturing electronic products, which will be entirely exported to North America and Europe. We aim to lease a ready-to-move-in space of 100,000 to 200,000 sq. ft. As government SEZs may not offer the space we need, we are considering leasing factory sheds in private industrial parks. It is possible to set up an EOU in this private industrial park and receive the same benefits as a SEZ.</p>	<p>EOU and SEZ are two distinct business operating models in India. SEZs are eligible for more tax benefits as being treated foreign territory. On the other hand EOU's are eligible for duty free import of CG and inputs.</p>

<p><b>61</b></p>	<p>Please share the necessary documents and the step-by-step submission process on DGFT portal for filling EODC by EPCG scheme user.</p>	<p>On completion of an export obligation, the authorization holder (exporter) receives an Export Obligation Discharge Certificate (EODC) on providing an application in ANF 5B to the respective regional authority under the DGFT. After completing an export obligation, the exporter must provide documentary proof of the export transaction like shipping bill and bill of export to DGFT for closure of the advance license. The regional authority will issue an EODC to the said authorized holder after completing all advance license formalities.</p> <p>Below are the steps to apply for an EODC online:</p> <ol style="list-style-type: none"> <li>1. Visit the DGFT website.</li> <li>2. Click on 'Advance Authorisation/DFIA' under the services tab.</li> <li>3. Click on 'Redemption/Closure of Advance Authorisation'.</li> <li>4. Login to the website by entering the required details.</li> <li>5. Click on either of the two options displayed as suitable: 'Start the Application' or 'Proceed with an Existing Application'.</li> <li>6. Fill in the mandatory requirements. Non-exchange data interchange (non-EDI) documents, including shipping bills, bills of entry, CA certificates and bank guarantees, are not automatically updated. The authorization holder must upload non-EDI documents to the relevant database before applying for an EODC.</li> <li>7. Click the 'Export' tab to check export details and add them to the database.</li> <li>8. Click the 'Input' tab to check input details.</li> <li>9. Click the 'Redemption Matrix' tab for license redemption/surrender, regularizing duty paid and waiver of bond.</li> <li>10. Click the 'Attachment' tab to attach non-EDI and related documents stated in step 6.</li> <li>11. Click the 'Declaration' tab after checking all boxes and accepting the terms and conditions. Fill out the company particulars and sign the online EODC application via digital signature or Aadhaar card.</li> <li>12. Click the 'Summary' tab and save it in PDF format.</li> <li>13. Submit the online EODC application</li> </ol>
<p><b>62</b></p>	<p>We have received a permanent SION approval letter issued by the Joint Development Commissioner, CSEZ, Bangalore, based on the Norms Committee, DGFT, Delhi. When disposing of scrap, do we need prior approval from EPC, or an intimation is sufficient. Please note our scrap percentage is within the limits set by the norms committee.</p>	<p>In case the disposal of scrap is within the fixed SION norms, the intimation to authority would suffice.</p>
<p><b>63</b></p>	<p>Kindly clarify if an SEZ unit can export used old machinery from SEZ.</p>	<p>As per Rule 34(1) of SEZ Rules 2006, SEZ units may export unutilized goods out of India.</p>
<p><b>64</b></p>	<p>We have gone through well the modules of billings in ICEGATE but we could not find the category under which the EOU to SEZ BOE will come. Please provide step by step procedure.</p>	<p>Filling of bill of entry module has not yet been uploaded to ICEGATE portal. For any assistance regarding this matter, you may contact the ICEGATE helpdesk</p>



<p><b>65</b></p>	<p>All EOU units and Advance Authorization (AA) holders who utilized the benefits of Notification No. 78/2017 or 79/2017 are now being asked to return collected refunds, with allegations of violating Rule 96(10). This demand is unjust and legally questionable. Our unit, located in Alappuzha, primarily exports rubber latex sheets but also engages in occasional local sales. As per FTP, the Customs department introduced Notification No. 52/2003 to establish the EOU scheme and AA scheme to boost exports, allowing imports without paying basic customs duty and other taxes under export obligations. With the introduction of GST, local taxes on EOU procurements were discontinued, requiring exporters to pay local taxes upfront and seek refunds using specific methods. Despite the new provisions, EOU and AA holders continued to receive benefits under Notifications 78/2017 and 79/2017, which allowed exemption from BCD, IGST, and compensation cess until June 30, 2022.</p> <p>However, since 2018, the introduction of Rule 96(10) under CGST Rules, 2017 have restricted exporters who utilized the aforementioned notifications from availing refunds by paying IGST on exports. This restriction contradicts the intent of zero-rated exports as outlined in Section 16 of the IGST Act. EOU and AA holders followed the law in utilizing tax refund methods, and there is no evidence of double benefits. The demand for refund repayments based on alleged Rule 96(10) violations puts undue strain on exporters and impedes their ability to compete internationally. We urge the relevant authorities to address these concerns.</p>	<p>As per Section 16(3) of IGST Act 2017, the taxable person may claim the refund of unutilized input tax credit on supply of goods or services or both, without payment of integrated tax under cover of LUT, in accordance with the provisions of section 54 of CGST Act, 2017 by filing a separate application under RFD-01, as highlighted in your email as well.</p> <p>However, we understand that the unit has opted to pay tax on export of goods and claim refund of tax paid under Rule 96 of CGST Act 2017. In this regard, there exists a restriction under Rule 96(10) of CGST Act 2017, which prohibits an EOU from claiming refund of IGST paid on exports of goods or services if the tax benefit were received on the import of goods under Notification 78/2017 - Customs dated 13 October 2017.</p> <p>Further, please note that the validity of Rule 96(10) CGST Act, 2017 has been legally challenged in various courts. Precisely, the Gujarat High Court has granted interim relief to petitioners directing adjudication authorities to halt coercive recovery in certain circumstances. You may consider filing a similar appeal with the jurisdictional authorities and seek a stay on further proceedings.</p>
<p><b>66</b></p>	<p>We are requesting clarification on whether SIMS applies to SEZ units in the following cases:</p> <ol style="list-style-type: none"> <li>1. When metal scrap from maintenance work originally sourced from Indian domestic suppliers is removed to scrap dealers.</li> <li>2. When empty used metal drums, previously used for packing oil or liquid containers, are removed to scrap dealers in India.</li> </ol>	<p>In accordance with Policy Circular 29/2015-20 dated October 4, 2019, and Circular 30/2015-20 dated January 8, 2020, the SIMS certificate is applicable to imports of iron and steel into SEZs, while it does not extend to local procurements.</p> <p>Further, SIMS registration is mandatory for imports under Chapters 72, 73, and 86 of ITC (HS) 2017, whereas PIMS registration is required for importing paper and paper products under Chapter 48 of ITC (HS) 2017. These registrations are relevant only when the products are imported by the SEZ unit. Additionally, there is no need for SIMS registration again when supplying those items to DTA without processing. However, if the manufacturing in SEZ leads to a change in the HSN Code at the 8-digit level, the DTA importer must register under SIMS.</p>
<p><b>67</b></p>	<p>In furtherance to below query, please clarify whether all Manufacturer Exporters are automatically eligible for duty drawback, assuming their HSN code is listed in the annual All Industry Rate Notification by Customs. Additionally, we inquire if exporters using the IGCR scheme for importing inputs can also avail duty drawback.</p>	<p>If the HSN code is notified under All Industry rate then the manufacturer would be eligible to claim the specified drawback irrespective of whether they use imported goods or not.</p>

<p>68</p>	<p>We have imported CNC machines that are about a decade old, and our unit maintains a positive NFE balance. All our input procurements are sourced domestically and subject to GST; we do not import any inputs. We would like to debond certain imported capital goods after applying the appropriate depreciation and paying any applicable customs duty and taxes. This proactive approach to partially debonding the imported capital goods will allow us to finalize a sale transaction as soon as we find a buyer. The debonded machinery will remain in our facility until the sale transaction is complete. We kindly request your guidance on the procedure we need to follow.</p>	<p>Rule 48 and 49 of the SEZ Rules, 2006, delineate the procedures governing the removal or sale of goods to DTA units. As emphasized, a DTA unit must file a Bill of Entry (BOE) containing a comprehensive description of the goods and/or services, including make, model number, serial number and specifications, along with the invoice and packing list with the Authorized Officers for the physical removal of goods from the SEZ premises before debonding them.</p> <p>Further, since there is no specific provision highlighting the possibility of debonding goods before identifying any DTA buyer and keeping them within the SEZ premises, we understand that, as highlighted in Rule 49(1)(a), duty computation for such DTA removal goods shall be conducted at the prevailing rate on the date of their removal. Hence, it can be inferred that duty computation, filing of the bill of entry and other documentations are only feasible in the presence of a confirmed DTA buyer for the goods. Consequently, we understand that debonding can only be executed once the SEZ unit has a confirmed buyer for undertaking all above said documentation and procedures.</p> <p>Upon receiving additional confirmation, we understand that the unit operates as an EOU. Further, building upon our previous communication and conjoint reading of Notification no. 52/2003 Customs dated 31.03.2003 and Para 6.14(b) of FTP 2023, the following steps are advised in relation to partial debonding of capital goods:</p> <ol style="list-style-type: none"> <li>a. Obtain in-principle approval for the partial debonding of capital goods. This involves seeking formal consent from the relevant authorities for the partial removal of goods from a bonded area.</li> <li>b. Once the buyer is identified, reach out to customs authorities with the duty certificate to secure a customs NOC.</li> </ol> <p>Further, it's important to note that in situations where the depreciated value of goods reaches zero, custom duty is waived and only GST is applicable on the transactional value.</p>
<p>69</p>	<p>Our EOU unit has been importing PVC packing items for past 20 years without any issues. However, the customs authority is now requesting us to provide an Extended Producer Responsibility (EPR) certificate for our current import shipment, which has already arrived. We seek your guidance on whether this certificate is necessary for EOU units, given that, according to FAQ 26 from the Central Pollution Control Board (CPCB), EOUs are exempt from EPR registration.</p>	<p>As per the "Plastic Waste Management (Second Amendment) Rules, 2023" dated 30 October 2023, EPR guidelines shall not apply to the EOU, SEZ unit. However, the exemption does not apply to pre-consumer plastic packaging waste generated by such units. Accordingly, they are still required to comply with the EPR guidelines for pre-consumer plastic waste (if any).</p> <p>Further you may refer to Rule 9 read with clause 4 of Schedule II of Plastic Waste Management (Second Amendment) Rules, 2023" dated 30 October 2023, outlining the entities which are covered under the EPR obligations and provisions.</p>
<p>70</p>	<p>please see the initial LOA copy is for your reference and advice for broad banding.</p>	<p>While going through the copy of LOA shared, it seems that the unit has acquired approvals based on the specific names of the resulting products. Additionally, if there are modifications in the resulting product due to the utilization of different APIs, which are not included in the products for which approval has already been obtained, the unit may be required to seek new approvals for the inclusion of these new resulting products.</p>

<p><b>71</b></p>	<p>We manufacture pharmaceutical formulations such as tablets and capsules within an SEZ. We seek your guidance on below:</p> <ol style="list-style-type: none"> <li>1. Destruction of various materials -According to rule 39 (1) &amp; (2), we intend to destroy goods without paying duty. This includes goods procured from DTA, imported for authorized operations, as well as manufactured goods including rejects, waste, and scrap from regular manufacturing and packaging operations. Given these circumstances, can we proceed with the destruction of these materials without paying duty.</li> <li>2. Our final products are tablets and capsules. The product names vary based on the active pharmaceutical ingredient (API) used in manufacturing, reflecting the brand or generic name of the API. We have approval to manufacture up to 1000 million tablets and capsules per year. Do we need to include every product name in LoA even if they are just different versions of tablets or capsules.</li> </ol>	<p>Please find below the response to your queries mentioned in shared files:</p> <ol style="list-style-type: none"> <li>1. In response to your query related to destruction of goods, the SEZ unit may destroy goods including capital goods procured from DTA/ imported/ manufactured, without payment of applicable duties in line with Rule 39 of SEZ Rules, 2006. Further, same is required to be done after advance intimation to Specified officer of the unit.</li> <li>2. In response to your query related to broad-banding in LOA, we understand that the unit has already obtained approval of its LOA which includes manufacturing of tablets and capsules. Given that the only variation lies in the product name based on the active pharmaceutical ingredient (API) used, accordingly it is not warranted to include each product name in LOA of the unit.</li> </ol>
<p><b>72</b></p>	<p>We have some laptops which were lost by our employees, now we want to know the procedure and SEZ rule to de-bond or pay the applicable duty on the same.</p>	<p>In case a laptop is lost, the unit is required to immediately file a FIR. Such a transaction will be considered as transfer of a used asset into the DTA, falling under the regulations specified in Rule 49 of SEZ Rules, 2006. Consequently, the unit is obligated to inform the Customs Officer and settle the applicable duties calculated in accordance with Rule 49(1) (c) of SEZ Rules. Relevant documents such as procurement invoices, copy of FIR, Challan copy etc. are required to be submitted with the customs authorities.</p>
<p><b>73</b></p>	<p>We offer group medical health insurance (GHI) to our employees and their families to support their health and productivity. However, our supplier (Reliance) is refusing to provide the insurance premium without GST. They cite a notification from CBIC (Notification No. 27/2023 dated 31 July 2023), which states that, starting from 1 Oct 2023, only supplies intended for 'authorized operations' of SEZ units or developers qualify as 'Zero Rated Supply.'</p> <p>We request clarification on whether group medical insurance falls under the authorized operations list and if we can procure it without IGST for our operations.</p>	<p>An SEZ unit is entitled to procure services for its authorised operations and a list of services has been notified by MOC which is commonly known as default services. Uniform list of services specifically covers the services procured directly in relation to business of unit. Since health insurance for employees is not considered a service with a direct nexus to business activities of unit, it may not be allowed to be procured duty-free.</p> <p>Further, group medical health insurance services are not included in the default list of services for authorized operations of SEZ units. Consequently, the medical insurance services provided to employees by the SEZ unit would not be eligible for GST exemption.</p>
<p><b>74</b></p>	<p>We have received TWAD water tariff bill which includes a GST charge of 18%. According to SEZ Act, GST is exempt for all material supplies and services within a SEZ. We request that you provide a letter or reference to the relevant rule/act to obtain a GST exemption from the TWAD board for water supply.</p>	<p>As per exemption Notification No. 12/2017- Central Tax (Rate) dated 28 June 2017, services offered by government entities or local authorities concerning functions entrusted to a municipality under Article 243W of the Constitution are exempt from tax. You may refer the same for seeking GST exemption on water supplies. Rest assured, the water supply services provided by the TWAD board, for which GST is levied, fall under this exemption.</p>

75	We received several small remittances from clients in USD or other currencies through the PayPal gateway. These transactions occur monthly, totaling no more than five transactions each month. All remittances are backed by invoices, but our bank (ICICI) has instructed us to stop accepting payments via PayPal. The bank is unable to clear these transactions from EDPMS report. Please suggest.	It's important to note that in order to comply with RBI guidelines, remittances received by an exporter must be reconciled on the EDPMS portal by the bank. Based on the instructions provided by your bank (ICICI), we understand that they are encountering difficulties in reconciling PayPal remittances on the EDPMS portal. As a result, export invoices are being shown as outstanding on the EDPMS portal.  Therefore, it is advised that in accordance with ICICI bank's instructions, PayPal payments should not be accepted. Instead, Company shall explore an alternative payment method in consultation with their bank. This will ensure smoother compliance and reconciliation processes moving forward.
76	can we procure on loan basis also, since we are doing job work for certain order.	As per the amendment made in Rule 27 of SEZ Rules 2006, SEZ units may procure gold, silver, or platinum on loan basis from foreign buyers and subsequently export them to the same foreign buyers.
77	Can SEZ unit procure gold and precious stone i.e. diamond from foreign customer.	SEZ unit can import Gold and precious metals for export purpose.
78	Please guide on compliance procedures for sending goods from an SEZ trading unit to a unit registered under the MOOWR scheme for job work. What are the required documentation and whether formal notification to the Assessing Officer (AO) is necessary for these transactions.	An SEZ unit can send the goods for job-work under the provisions of Rule 41 of SEZ. Following are important points and documentation - <ul style="list-style-type: none"> <li>- A permission for sub-contracting is required to be obtained from the Zonal DC office;</li> <li>- Goods need to be brought back within 120 days along with waste and remnants;</li> <li>- A temporary removal (TR) challan is to be issued from SEZ online portal for removal of goods;</li> <li>- From GST compliance perspective, a delivery challan and e-way bill is also required to be issued for effecting removal of goods.</li> <li>- Proper record for outward and inward of goods required to be maintained</li> <li>- Transaction shall also be disclosed in GST return (ITC-04)</li> </ul>
79	We have two units in an EOU within the same customs jurisdiction. As we plan to exit one unit, we have decided to transfer all duty-free imported capital goods and raw materials to our other EOU unit. We seek your guidance on the following questions: <ol style="list-style-type: none"> <li>1. Do we need to debit the receiving unit's B17 bond.</li> <li>2. Does GST apply to this transfer, given that both units are in the same jurisdiction.</li> </ol>	Please find pointwise reply to your queries as below: <ol style="list-style-type: none"> <li>1. The receiving unit is required to debit its B17 bond with the value of goods transferred.</li> <li>2. Such inter unit transfer is considered as supply for the purpose of GST and therefore attract GST on such transaction.</li> </ol>
80	We seek your advice regarding the requirement for a Factory License to operate as an FTWZ unit. Our LOA permits operations like packing, repacking, and labeling, but there are concerns about whether a Factory License is necessary. The Factories Act defines "manufacturing process" to include a range of activities such as packing and treating substances for use, sale, transport, or disposal. We believe Section 51(1) of the SEZ Act, which overrides other laws, may exempt us from the Factory License requirement. Please guide.	We acknowledge that your understanding is correct regarding Section 51 of the SEZ Act 2005, which states that the provisions of the SEZ Act shall have effect notwithstanding anything inconsistent therewith contained in any other law. With regards to the aforementioned provisions, it appears that the provisions of the Factory Act are not inconsistent with the SEZ Act.  Further, if any other law requires certain additional conditions to be fulfilled for obtaining a factory license, which seems to be a mandatory requirement for the unit, it is advisable to comply with such conditions to obtain the required factory license.

<p><b>81</b></p>	<p>In furtherance to below query:</p> <ol style="list-style-type: none"> <li>1. Do we need to charge GST on the invoice and supply(value of the invoice will be equivalent to GBP).</li> <li>2. Will the bank permit us to receive and credit funds in GBP to our account for a supply made to India, where the buyer is based in the UK, but without any shipping bill, bill of lading, or airway bill. Are there any circulars or references that address transactions like this.</li> </ol>	<ol style="list-style-type: none"> <li>1. All the taxes (including custom duty) would be paid on such local sales.</li> <li>2. Payment is always acceptable in convertible foreign currency and GBP is considered as convertible foreign currency.</li> </ol>
<p><b>82</b></p>	<p>We need clarification on the process and documentation for GST and exports in the following scenario. We received an order from a UK customer (A) to supply parts. The purchase order is issued to us (British Engines India) with A as the buyer and the delivery address for B, a customer in India. The purchase order is in GBP. We will deliver the shipment to B in India and invoice in GBP as per the PO from A. In this transaction, A is the buyer and B is the consignee. We will receive the invoice payment from A in the UK after delivering the shipment to B in India. We need to understand whether this transaction is classified as a local sale or export. If it is an export, we are unsure whether we are allowed to receive payment in GBP from A without a shipping bill. If this transaction is a local sale, can we still invoice in GBP per the PO from A, charge IGST, and receive proceeds in GBP from A?</p>	<p>This bill-to-ship-to concept would not qualify as export. In this scenario, the goods need to be removed under BOE with applicable taxes. There is no restriction on raising the invoice to foreign client in GBP for such transaction.</p>
<p><b>83</b></p>	<p>A client, which is an overseas entity associated with our unit, supplied capital goods to OEMs in India under the MOOWR scheme. These capital goods were utilized but have become obsolete due to technological changes. The OEMs now plan to export these goods back to our client at FTWZ. Our client will either re-export the goods or scrap them in India. FAQ on MOOWR (Q16) states that capital goods imported by a MOOWR unit can be exported back without paying customs duty. Once the MOOWR unit exports the goods to the overseas entity at FTWZ, can the goods be scrapped or destroyed by handing them over to SEZ recycling units according to Rule 39(1) of SEZ rule 2006. Please advice.</p>	<p>Rule 39 of SEZ Rules, 2006 specifies the provisions for destruction of goods by SEZ unit. From the definition under SEZ Act, FTWZ is also treated as an SEZ for the purpose of the Act. Accordingly, the units within FTWZ are permitted to dispose of goods in accordance with Rule 39.</p>
<p><b>84</b></p>	<p>Could you please suggest if an advance authorisation (AA) holder wants to send raw materials for Job-work to EOU for manufacturing intermediate products and after completion of Job-work, the intermediate product is returned back to AA and then it is combine with other raw materials at AA premises and ultimately it is exported to overseas to end customer of AA.</p>	<p>An EoU is governed by the provisions of Chapter 6 of FTP and relevant notification under Customs law. As per Para 6.13(b) of FTP, an EoU can undertake job-work for a DTA unit only when such goods are directly exported from EoU. Therefore response to your query is in negative.</p>

<p><b>85</b></p>	<p>Please guide on IGST exemption status for health insurance premiums paid for our employees. Specifically, we are seeking information on:</p> <ol style="list-style-type: none"> <li>Whether health insurance premiums paid for our employees qualify for IGST exemption under the SEZ framework.</li> <li>If so, what steps or documentation are required to access this exemption?</li> <li>Are there any particular guidelines or regulations we must follow to qualify for exemption?</li> </ol>	<p>Uniform list of services specifically covers the services procured directly in relation to business of unit. Since health insurance for employees is not considered a service with a direct nexus to business activities of unit, it may not be allowed to be procured duty-free.</p> <p>Since, group health and medical insurance services are not included in the default list of services for authorized operations of SEZ units, consequently, the health insurance services provided to employees by the SEZ unit would not be eligible for GST exemption.</p>
<p><b>86</b></p>	<p>Can it be understood that, local invoice can be made in GBP with consignee as delivery address in India and buyer as UK and receive funds in GBP in our bank from buyer in UK.</p>	<p>Yes, your understanding is correct.</p>
<p><b>87</b></p>	<p>One of our SEZ unitholders has given corporate guarantee to banker in respect of loan taken by sister concerns (SEZ unit and DTA unit). The SEZ unit giving Corporate Guarantee does not charge any commission.</p> <p>In this connection, we would like to know the following in respect of corporate guarantee given by (a) SEZ unit to another SEZ unit &amp; (b) SEZ unit to DTA unit.</p> <ol style="list-style-type: none"> <li>GST implications on the same</li> <li>Whether GST is payable onetime or every year in cases where commission is not charged</li> <li>How to declare these transactions in GST returns (GSTR1 and 3B) when commission is not charged</li> <li>Whether the company giving Guarantee needs to issue Tax invoice on the notional commission as stipulated in GST Law</li> <li>Can the receiving entity claim Input tax credit of GST charged on Guarantee</li> <li>Is this taxable retrospective or from the date of notification of valuation mechanism (i.e., October 2023 onwards)</li> </ol>	<p>Following is the point-wise response -</p> <ol style="list-style-type: none"> <li>As per Section 7 read with para 2 of the Schedule I of the CGST Act prescribes that the services provided to related persons in the course or furtherance of business even without consideration shall be treated as 'supply'. Further, CBIC vide Circular No 204/16/2023 dated 27 October 2023, has categorically clarified that providing guarantee on behalf of subsidiary company to bank/ financial institutions shall be 'supply of service' irrespective of consideration.</li> <li>Every renewal of contract shall be a separate taxable event.</li> <li>&amp; d. GST on Corporate Guarantee would be charged @1% of the guarantee offered in the absence of consideration and that would be reported accordingly in table.....</li> <li>Yes</li> <li>It will apply prospectively.</li> </ol> <p>Please note that zone to zone transaction of services is treated as zero-rated supplies subject to the condition that such service is covered under the uniform list of services. Since, corporate guarantee service is not included in the default list of services for authorized operations of SEZ units. Accordingly, the unit may reach out to the jurisdictional Deputy Commissioner's office for availing benefit of zero rated supplies on such services. The DC may on merit of the case allow benefit to the unit.</p>
<p><b>88</b></p>	<p>As part of the year-end book closure activity, we are considering writing off inventory and assets (such as tools, fixtures, etc.) with minimal book value. This accounting action would involve removing the value of these assets from the Balance Sheet and debiting it to the Profit and Loss statement. In light of this, we want to understand whether there are any duty implications related to the write-off of assets.</p>	<p>Duty implication in relation to assets arises when the assets are removed from the SEZ premises in accordance with depreciated value computed as per Rule 49 of SEZ Rules, 2006. Therefore, there would not be any duty implication, when assets are written off in books on achieving the minimum base value.</p>

89	Request clarification regarding Form H for SEZ units established in the IFSC. While Rule 53A does not apply to IFSC units, they are still required to submit a false declaration to achieve a positive NFE through Form H (BLUT). Please guide if it's possible to modify Form H to eliminate the reference to maintaining a positive NFE. If the Ministry of Commerce and Industry (MoCI) could issue a clarificatory note or similar guidance on this matter, it would be greatly appreciated.	We acknowledge that the positive Net Foreign Exchange (NFE) condition specified in Rule 53 of SEZ Rules does not extend to IFSC units. Additionally, the format of Form H does not offer any exemption to IFSC units for amending the conditions mentioned in the said form. Therefore, it is advised that IFSC units adhere to the prescribed Form H as per SEZ Law.  Further, EPCES will take up this issue with the MoCI to seek clarification on this matter.
90	Is there any provision in SEZ rule for transferring duty paid or duty exempted laptop after using the same in SEZ unit to employee's name? If yes, what will be the process.	The process for removal of assets into DTA is outlined in Rule 49 of SEZ Rules, 2006. Moreover, the removal of old IT assets from a SEZ unit is only permissible under the conditions specified in paragraph 2.31 of FTP, 2023 read with Notification no. 56/2023.  According to these provisions, the removal of laptops from the SEZ premises would be categorized as DTA Sales, which are allowable only when the importer possesses a valid import license. Therefore, we understand that the distribution of IT assets to employees may be permitted solely if the employees possess a valid import license, which is unattainable. Consequently, the transfer of laptops to employees is deemed invalid.
91	Can you please share the checklist for surrendering SEZ license or exiting from SEZ scheme for a SEZ unit.	Please find below the documents required for exit application: <ul style="list-style-type: none"> <li>- Duly Notarized Legal Undertaking on Rs. 100 Non-Judicial Stamp paper in Form L;</li> </ul> Status of pending foreign exchange realization along with CA certificate; <ul style="list-style-type: none"> <li>- RBI/AD Bank permission for extension of time in realization of pending foreign exchange, if any;</li> <li>- Copy of all the APRs filed till date;</li> <li>- Realization certificate duly authenticated by the banker of the unit regarding realization of foreign exchange since inception;</li> <li>- Board Resolution for exit of unit from SEZ scheme;</li> <li>- Board Resolution in favor of authorised signatory for signing such exit application.</li> </ul> No Objection Certificate/No Dues Certificate <ul style="list-style-type: none"> <li>- No objection certificate &amp; No dues from Specified Officer w.r.t. exit of the unit;</li> <li>- No objection certificate / No dues from SEZ developer;</li> <li>- No Dues from UPFC/Bank/Financial Institutions regarding payment of their dues, if any;</li> <li>- No Dues Certificate for Softex Filing till the date upto which unit remained in operation;</li> <li>- No Dues Certificate from jurisdictional GST authorities;</li> <li>- No Dues in respect of Form-I (CST exemption) issued to the unit;</li> <li>- Affidavit to declare clearance of all applicable labour dues;</li> <li>- No Dues Certificate from Labour Department;</li> <li>- Certificate of independent valuer in respect of total value of assets.</li> </ul>

92	In SEZ APR Part II (Investment in zone since inception), there are two categories: (a) Building and (b) Plant & Machinery. Could you please confirm which value we should include in this table? Should it only account for duty-free assets acquired since the start, or should we also include duty-paid details?	Only duty free assets are required to be reported in Part II of SEZ APR.
93	As per the Karnataka state law we are bound to pay stamp duty for lease registration/renewal. Do we have an option to get exemption for this stamp duty.	The government of Karnataka vide its order no. No.CI 282 SPI 2001, B'lore dated 25 February 2002, exempted all the industrial units located in the SEZ shall be fully exempted from payment of Stamp Duty & Registration Fees.
94	Kindly clarify, can we file the DTA procurement in SEZ online for zero-rated supply made by DTA unit under LUT taken after invoice date. As per Circular No. 8/8/2017-GST dated 4 October 2017, LUT shall be valid for whole financial year in which it is tendered.	As per Rule 96A of the CGST Rules 2017, which outlines the procedure for exporting goods or services under an LUT (Letter of Undertaking), specifies that the registered person must furnish LUT before exporting goods or services without payment of tax. This LUT, once furnished, remains valid until the end of the financial year for which it is filed. Consequently, the unit cannot avail zero-rated benefit if the supplier does not have a valid LUT in place on the date of the invoice.
95	We are a furniture manufacturing unit and need the finished furniture product from DTA Unit. Can we purchase the finished product from DTA. If not, then can we purchase finished product as a sample. Please also confirm that we have another one unit in DTA of furniture manufacturing, can we purchase the raw material from our DTA unit to SEZ Unit under LUT.	As per Rule 27 of the SEZ Rules, 2006, an SEZ unit is allowed to procure various types of goods, including raw materials, semi-finished goods, and capital goods, from a DTA unit without paying duty, provided it is for authorized operations. The DTA supplier must have a valid Letter of Undertaking (LUT) and ensure that the supply is for authorized operations to benefit from zero-rating supplies without tax payment. Note that the SEZ unit can purchase finished goods for trading purposes only if the trading activity is explicitly stated in the Letter of Approval (LOA).
96	A foreign client of our FTWZ unit imports devices to India for testing. Under SEZ Rule 50, the goods are temporarily removed to a DTA contractor's facility for testing, ensuring no change in their identity. After testing, within 120 days (SEZ Rule 51), the goods return to our FTWZ unit. The DTA contractor bills the testing services to our foreign client. We seek clarification on how remittances from our foreign client to the DTA contractor for testing services can be facilitated.	As per Section 2(n) of the SEZ Act 2005, Free Trade and Warehousing Zone( FTWZ)" means a Special Economic Zone wherein mainly trading and warehousing and other activities related thereto are carried on. Further, the definition of SEZ as per Sec 2(za) includes a FTWZ. Additionally, supply of service by the DTA unit to Foreign client in FTWZ would be considered as export of service. The DTA unit must raise a service invoice to the FTWZ unit (foreign client) and this invoice should be made in USD, as specified in section 2(z)(iii) of SEZ Act 2005.
98	We submitted an LUT without affixing a Common Seal, citing the Companies Act 2015 allowing non-adoption of a Common Seal. However, VSEZ insists on Common Seal affixation, contrary to legislative provisions allowing authorized signatures of Directors and the Company Secretary. We seek clarification on following: <ol style="list-style-type: none"><li>1. How to proceed without a Common Seal as per the Companies Act 2015.</li><li>2. Is compliance with the Companies Act mandatory for EPZs.</li><li>3. Are there notifications allowing LUT acceptance without a Common Seal for EOUs.</li><li>4. Your detailed guidance will help resolve our compliance issue with VSEZ effectively.</li></ol>	The Companies (Amendment) Act, 2015 has made the use of a common seal optional. Consequently, companies are no longer required to mandatorily possess such a common seal. It is recommended that the Company should inform the relevant jurisdictional authorities of this change in Companies Act.



99	<p>If you can confirm that whether Export Obligation Discharge Certificate (EODC) on imported capital goods are applicable to EOU units.</p>	<p>The EODC is not applicable to EOUs for imported capital goods. The EODC is issued to EPCG authorization holders upon submission of proof of export obligation fulfillment. Further, EOUs are exempted from duty on imported capital goods vide Notification No. 52/2003-Customs, dated 31 March 2003. Consequently, EOUs are not required to register under the EPCG scheme or fulfill any export obligation to avail of these exemptions.</p>
100	<p>A new notification (No. 08/2024 GST) mandates the submission of SRM-1 for registration and disposal of packing machines for panmasala and tobacco products by all tobacco manufacturers. Our SEZ unit focuses solely on 100% exports, with no domestic sales. Our production of tobacco products like Gutkha and Panmasala varies based on buyer specifications, ranging from 2Gms to 4 Gms.</p> <p>We seek clarification on whether SEZ units exclusively engaged in exports need to comply with Form SRM-1. Additionally, due to irregular operation, our factory may remain idle for extended periods, leading to potential damage and downtime for packing machinery components due to dust and fungus buildup.</p>	<p>As per Notification No. 4/2024 - Central Tax dated April 10, 2024, amended vide notification no. 8/2004, all registered persons engaged in the manufacturing of goods listed in the attached schedule (including tobacco products like Pan Masala containing tobacco and Gutkha) must provide details of the packing machines used for filling and packing packages in FORM GST SRM-I. This requirement applies to every registered person, including SEZ units, and FORM GST SRM-I must be filed within 30 days of the notification date.</p> <p>Additionally, registered persons must submit a special monthly statement detailing the inputs used and the final goods produced in FORM GST SRM-II. This statement must be filed electronically on the common portal by the tenth day of the month following the reporting month. If the unit operates on a project basis and has no data to report in FORM GST SRM-II, it may submit the form as NIL.</p>
101	<p>In furtherance to below query, the CTH details shows for purchase of shows that it is restricted item as per DGFT notification.</p>	<p>Notification 23/2023, dated August 3, 2023, imposes restrictions on obtaining import authorizations for five specified categories of goods, including laptops. However, Circular No. 06/2023-24 extends the provisions of Notification 23/2023, exempting EOUs and SEZs from this requirement.</p> <p>Therefore, as per Circular 6/2023-24, an SEZ unit is not required to secure import authorization or registration for the importation of laptops, provided they are intended specifically for captive consumption.</p>
102	<p>From when does the recommendations of 53rd GST Council Meeting come into force.</p>	<p>Recommendations made in GST Council meetings regarding rate changes generally come into force on a date specified in the official notification issued by the Government following the meeting.</p>
103	<p>In furtherance to below query, please further clarify if Manufacturers using IGCR scheme for import of inputs for export product is also eligible for duty draw-back.</p>	<p>There is no denial under either rule for claiming dual benefits. However, manufacturers using the IGCR scheme to import inputs at a concessional rate for export products can also be eligible for duty drawback, provided they comply with specific conditions to avoid double benefits. This includes maintaining detailed records, proving that imported inputs were used in exported goods, and adjusting the duty drawback claim by the amount of concessional duty already availed. Proper documentation and adherence to regulatory requirements are essential for claiming both IGCR benefits and duty drawback.</p>
104	<p>Notification No. 17/2024-25 restricts Plain &amp; Studded Gold Jewellery imports. We seek clarity if this applies to 100% EOUs. Our EOU relies on importing jewellery for repair/remaking, allowed under customs exemptions (Annexure-VI Sr. No.10 &amp; 11, customs notification no. 52/2003).</p>	<p>Notification no. 17/2024 is issued to implement relevant changes in import policies, specified in Schedule 1 of ITC (HS) which outlines the Import Policy regime for all goods. All importers are required to comply with this schedule, irrespective of the scheme in which it is operating. Accordingly, this notice would be applicable on EOUs.</p>

<p><b>105</b></p>	<p>Regarding Customs &amp; Excise Duty Drawback Rules 2017, please clarify on below points:</p> <ol style="list-style-type: none"> <li>1. Is a manufacturer eligible for drawback if they export finished goods incorporating duty-paid imported inputs or any excisable materials.</li> <li>2. Can a manufacturer claim drawback if they have not used any duty-paid imported items but used petroleum products like diesel</li> <li>3. Many manufacturing exporters claim drawback when filing Shipping Bills, regardless of whether diesel is used for captive power generation or in manufacturing.</li> <li>4. Are there any barriers for exporters claiming duty drawback, regardless of diesel usage, and will Customs conduct audits post drawback claims.</li> </ol>	<p>According to Notification No. 98/2013 - CUSTOMS (N.T.) dated 14th September 2013, exports from EOU/SEZ units are ineligible for Duty Drawback benefits. Additionally, it is important to note that the payment of VAT and Excise Duty on diesel procurement is considered part of the RoDTEP scheme and is available to EOU/SEZ units.</p>																																													
<p><b>106</b></p>	<p>Please clarify whether processed Used Cooking Oil can be exported. If so, please provide the relevant notification for free of export of processed UCO.</p>	<p>We understand that the unit seeks permission to procure Used Cooking Oil (UCO) for the further export of processed UCO. Please note that as per Schedule 2 of ITC (HS), 2018, oils are listed under the tariff heading of Chapter 15. According to this schedule, oils are categorized under both free and prohibited categories across various tariff headings. The unit needs to assess the eligibility based on the specific product description. The Schedule 2 is enclosed for your ready reference.</p> <p>Even if the goods fall under the prohibited category, they may still be allowed for export with prior approval from the Board of Approval as per Rule 45 of the SEZ Rules, 2006. However, it is important to note that such prohibited items cannot be procured from the Domestic Tariff Area.</p> <p>Accordingly, if the processed UCO to be exported falls under prohibited category under Schedule 2, then procurement for such exports would not be allowed to be made domestically.</p>																																													
<p><b>107</b></p>	<p>We need CTH code of Laptop to initiate BOE and fullform of Item type column while filling BOE.</p>	<p>The CTH for importing laptops in India is 84713010. Further, please find below abbreviations used in BOE:</p> <table border="0"> <tr><td>Manufactured Goods</td><td>-</td><td>M</td></tr> <tr><td>Capital Goods</td><td>-</td><td>CG</td></tr> <tr><td>Raw Material</td><td>-</td><td>R</td></tr> <tr><td>Consumables</td><td>-</td><td>C</td></tr> <tr><td>By Product</td><td>-</td><td>B</td></tr> <tr><td>Waste/Scrap</td><td>-</td><td>W</td></tr> <tr><td>Spares and Accessories</td><td>-</td><td>S</td></tr> <tr><td>Remaking</td><td>-</td><td>RM</td></tr> <tr><td>Repair</td><td>-</td><td>RE</td></tr> <tr><td>Packaging Material</td><td>-</td><td>P</td></tr> <tr><td>Capital Goods-Building</td><td>-</td><td>CB</td></tr> <tr><td>Capital Goods-Plant &amp; Machinery</td><td>-</td><td>CE</td></tr> <tr><td>Capital Goods-O &amp; M</td><td>-</td><td>CO</td></tr> <tr><td>Traded Goods</td><td>-</td><td>TG</td></tr> <tr><td>Others</td><td>-</td><td>IO</td></tr> </table>	Manufactured Goods	-	M	Capital Goods	-	CG	Raw Material	-	R	Consumables	-	C	By Product	-	B	Waste/Scrap	-	W	Spares and Accessories	-	S	Remaking	-	RM	Repair	-	RE	Packaging Material	-	P	Capital Goods-Building	-	CB	Capital Goods-Plant & Machinery	-	CE	Capital Goods-O & M	-	CO	Traded Goods	-	TG	Others	-	IO
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108	<p>We hold a 3-Star Export House Certificate and export various Spice &amp; Spice Products globally, particularly to the USA and Europe. There's confusion about the Minimum Value addition requirement for EOUs. Previously, it was 15%, but Policy Circular No. 07/2023 dated 21 December 2023 states that now it is 25% as per Para 4.09 (v) of FTP 2023. We seek clarification on whether this circular applies to EOUs, as it seems directed at Advance Licence holders.</p>	<p>Circular No. 07/2023 clarifies that the condition of Minimum Value Addition (MVA) for spices under Para 4.09 (v) of the FTP 2023 is only applicable when both the export and import items fall under Chapter 9 of the ITC HS Code. Furthermore, Para 4.09 is relevant only if the unit holds an Advance License. Additionally, it is clarified that Appendix-6B, which outlines Sector-Specific Requirements for EOUs, is applicable to EOUs. According to Para 10(ii) of the said Appendix, an MVA of 25% must be fulfilled when both the export and import items pertain to Chapter 9 of the ITC HS Code. For all other cases, the MVA percentage is 15%. For more clarity, please refer to Appendix-6B.</p>
109	<p>The developer plans to dispose of Electrical &amp; Electronic Waste/scrap once the applicable Custom duty &amp; IGST have been paid under HSN code 85499900 as per relevant laws. Please guide.</p>	<p>The developer may remove the scrap to the DTA unit after paying the applicable duties on transaction. Further, in case the goods are IT assets specified in Notification 56/2023, then such removal is permissible subject to conditions specified in paragraph 2.31 of FTP, 2023.</p>
110	<p>We intend to replace our company's main gate and, consequently, demolish the existing stormwater drain on the service road to construct a stronger one that can accommodate heavy container vehicles smoothly. During this project, we will procure construction materials. Please advice on whether tax exemptions apply to these purchases and services. Please note that the existing stormwater drain was built by SIPCOT, and we have obtained approval to make necessary modifications.</p>	<p>As per the proviso to Rule 27 of the SEZ Rules, 2006, duty exemption is available for all goods and services required for setting up or maintaining an SEZ unit. The proviso states that exemptions from payment of duty, taxes, or cess are available for all types of goods and services necessary for the establishment and maintenance of the factory building for a unit. However, endorsement of invoices are subject to SEZ Officer approval, it is advisable for the SEZ unit to approach the jurisdictional Development Commissioner to seek approval for the procurement of such inputs and services without payment of duty before commencing any maintenance activities.</p>
111	<p>We require clarification on the following regarding the APR submission for our 100% EOU unit:</p> <ol style="list-style-type: none"> <li>1. How should we accurately calculate the imported goods value for APR reporting. Should this be derived from the Bill of Entry filed.</li> <li>2. What is the basis for computing the consumption value that must be reported in the APR.</li> <li>3. If the imported goods value is taken from the Bill of Entry, can we revise the previous year's APR filed for FY 2022-23.</li> </ol>	<p>As per Appendix-6F of HBP-2023, which outlines the guidelines for monitoring the performance of units, the value of imported raw materials consumed during the year, including consumables and spares, is considered when calculating the NFE achieved. You may refer to the Annexure mentioned in said Appendix for detailed computation formula. Accordingly, the imports computation mentioned under the said Annexure is to be followed and the bill of entry value would not be the basis for reporting imports under the APR for the current year.</p>
112	<p>We export software and receive Softex attestation from ADC, MEPZ manually. However, bankers refuse to accept physical Softex forms for setting off inward remittances and require eBRC numbers instead. The absence of eBRC numbers results in significant penalties imposed by bankers.</p>	<p>To reconcile the foreign inward remittance on the EDPMS portal, the bank may request a copy of the online filed Softex forms and the invoice copy. Additionally, the e-BRCs are generated on the DGFT portal once such payments are settled by the bank. Consequently, setting up Softex forms and issuing e-BRCs are two separate processes on two different platforms. Therefore, it is advisable for the Company to consult with senior bank personnel to discuss the issue and clarify the exact requirements.</p> <p>Separately we would want to understand if you are a manufacturer and also providing services. If you are only IT/ITes service providers, ideally STPI should be the governing body instead of DC-MEPZ.</p>

113	<p>Every time we transfer subcontracted materials from our unit to the DTA unit vendor, customs officers request and query us to provide invoices for the value of the movable goods. In this regard, please clarify whether it is necessary for unit to submit invoices for subcontracted moved goods. Additionally, what types of documents are mandatory for movement to DTA unit during regular or daily movements of subcontract materials, after receiving Movement ID approval from the SO.</p>	<p>As per Rule 42 of SEZ Rules, 2006, a unit shall remove goods for subcontracting under pre-authenticated serial-numbered challans, ensuring that a complete description of the goods is provided on the challan.</p>
114	<p>We purchased machinery to boost production and applied for an ITC refund for exports without IGST payment. However, GST authorities did not consider ITC related to capital goods for this refund. As an EOU focused solely on exports, we believe we are entitled to ITC refund on capital goods. We seek guidance on:</p> <ol style="list-style-type: none"> <li>1. Eligibility of ITC on capital goods for refund under the export without IGST payment scheme.</li> <li>2. Procedure to claim ITC refund on capital goods.</li> <li>3. Specific forms or documentation needed to support our claim.</li> <li>4. Precedents or successful case references for similar refunds.</li> </ol>	<p>Based on a conjoint reading of Section 2(59) of the CGST Act, 2017, and Rule 89 of the CGST Rules, 2017, the manner of claiming a refund for zero-rated supply of goods or services without payment of tax (i.e., refund of accumulated input tax credit) is computed as follows:</p> <p>Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷ Adjusted Total Turnover</p> <p>Where 'Net ITC' refers to the input tax credit availed on inputs and input services during the relevant period. As per Section 2(59), 'Input' means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business.</p> <p>Accordingly, the formula clearly includes only 'input' and 'input services' for Net ITC, thereby implying that the refund of capital goods is specifically excluded.</p>
115	<p>Our company operates in MEPZ-SEZ and also has a DTA unit in Bhiwandi. We imported machinery for the Bhiwandi unit under the EPCG License Scheme and need to fulfill the export obligations. Due to insufficient export orders for Bhiwandi unit, we are unable to meet these obligations.</p> <p>We propose using the machinery for job work for our SEZ unit, which has sufficient export orders. The manufacturer would be DTA unit and exporter would be SEZ unit. We seek your advice on whether this job work can fulfill our export obligations and if deemed exports can be treated as third-party exports.</p>	<p>Para 5.04 of the FTP-2023, which outlines the conditions for fulfilling export obligations to qualify for EPCG authorization benefits, specifies that an EPCG Authorization holder can meet their export obligation by exporting goods directly or through third parties. Additionally, as per Rule 41 and 42 of the SEZ Rules 2006, SEZ units are permitted to subcontract part of their production or any production process to DTA units, and the SEZ unit must include the name of the DTA unit in all export documents.</p> <p>Based on these provisions, an SEZ unit may subcontract its operations to a DTA unit, and the DTA unit may count this subcontracted work towards its export obligation under the EPCG scheme.</p>
116	<p>We, as an SEZ unit, plan to import Chrome Concentrate Ore (ITCHS Code No. 26100040/26100000) from Afghanistan, Pakistan, and Oman for manufacturing Low Carbon Ferro Chrome (LCFC – ITCHS Code No. 72024900). Currently, we import from China, but switching sources would reduce costs.</p> <p>As per Rule 27(1) of the SEZ Rules, 2006, and Section 26(1)(a) of the SEZ Act, 2005, goods imported for SEZ operations are exempt from customs duties. We seek confirmation that importing Chrome Concentrate Ore from these countries will be duty-free under SEZ status.</p>	<p>As per Section 26 and Rule 27 of SEZ law, duty exemptions apply regardless of the country of import, to carry on the authorised operations of the unit. However, to obtain the duty implications for a specific product from a particular country, you should refer to Schedule 1 under "Import Policy - ITC(HS), 2022" available on the DGFT online portal. The same is enclosed for your ready reference from where you may check if your product is categorized as permissible or restricted for import. Additionally, according to ICEGATE, there appear to be no restrictions on importing the product from Pakistan, Afghanistan, or Oman.</p>

<p><b>117</b></p>	<p>We have an EOU unit where we have purchased goods for use in our manufacturing activity under two scenarios:</p> <ol style="list-style-type: none"> <li>1. The supplier agreed to claim the deemed export refund of GST shown on their invoice.</li> <li>2. The supplier did not agree to claim the deemed export refund, so the purchasing EOU unit will claim the deemed export refund.</li> </ol> <p>We have identified quality issues with the purchased materials and would like to return the defective items (Purchase Return). We need to know whether GST should be applicable and charged on the Purchase Return document (Debit Note) to be raised by us in both scenarios. Additionally, please advise if raising a debit note is correct or if we need to raise another type of document.</p>	<p>The recipient may issue a financial debit note/ purchase return document to the supplier which would be without GST. As per Section 34 of CGST Act, 2017, only the supplier can issue credit note for sales return. Further, in case GST was charged on the original invoice, the same would be charged on the credit note issued by the supplier.</p>
<p><b>118</b></p>	<p>In furtherance to below query, Kindly clarify on below mentioned point:</p> <p>"The export of services by SEZ unit is permitted without payment of taxes under cover of LUT, upon fulfilment of conditions outlined in Section 2(6) of the IGST Act, 2017" – Here we would like to know whether our transaction qualifies as Export of services and whether GST will be payable on our invoicing to overseas customer for manufacturing services provided in respect of Raw materials supplied by overseas customer.</p>	<p>As per the definition of export of services under Section 2(6), five conditions must be met to qualify as an export of services:</p> <ol style="list-style-type: none"> <li>(i) The location of the supplier must be in India.</li> <li>(ii) The location of the recipient must be outside India.</li> <li>(iii) The place of supply of the service must be outside India.</li> <li>(iv) Payment must be received in convertible foreign exchange.</li> <li>(v) The supplier and recipient of the service must not be merely establishments of the same person as defined in Explanation 1 of Section 8.</li> </ol> <p>The first two conditions appear to be satisfied. The place of supply would be the location of the recipient of the service as per Section 13(2) of the IGST Act, 2017. Please ensure the remaining two conditions are met to fulfill all the criteria for export of services.</p> <p>Regarding the chargeability of GST, once the supply qualifies as an export, the unit may make a zero-rated supply of services based on a valid LUT as per Section 16 of the IGST Act, 2017.</p>
<p><b>119</b></p>	<p>Referring to Notification No. 17/2024 dated 11 June 2024, which restricts the import of plain and studded gold jewelry, please confirm whether this restriction apply to 100% EOUs and SEZs.</p>	<p>The Notification no. 17/2024 is issued to implement relevant changes in import policies, specified in Schedule 1 of ITC (HS) which outlines the Import Policy regime for all goods. All importers are required to comply with this schedule, irrespective of the scheme in which it is operating. Accordingly, this notice would be applicable on EOUs and SEZs.</p>
<p><b>120</b></p>	<p>We are proposing to procure/import chrome concentrate from Afghanistan/Pakistan/Oman. Please clarify on duty Implication for SEZ unit.</p>	<p>In accordance with Section 26 and Rule 27 of SEZ law, duty exemptions apply regardless of the country of import, to carry on the authorised operations of the unit. However, to obtain the duty implications for a specific product from a particular country, you should refer to Schedule 1 under "Import Policy - ITC(HS), 2022" available on the DGFT online portal. The same is enclosed for your ready reference from where you may check if your product is categorized as permissible or restricted for import. Additionally, according to ICEGATE, there appear to be no restrictions on importing the product from Pakistan, Afghanistan, or Oman.</p>

121	<p>We have a manufacturing SEZ unit and have received an order from an overseas customer for manufacturing services. The customer will supply raw materials on a Free of Cost (FOC) basis. We will import these materials, convert them into finished products, and export the finished goods. The import Bill of Entry for the raw materials will be filed under FOC mode. After converting the raw materials, we will raise a service invoice for the job work/manufacturing services and ship the goods by filing a Shipping Bill. We have the following queries:</p> <ol style="list-style-type: none"> <li>1. Can an SEZ unit undertake this activity. Are there any restrictions under SEZ law.</li> <li>2. Does this activity require prior approval from the SEZ department.</li> <li>3. Will GST apply to the service invoice raised for the overseas customer, and will this qualify as an export of services.</li> <li>4. Will the import of raw materials on an FOC basis be considered for NFE computation.</li> <li>5. Are there any other implications under Customs and FEMA law.</li> </ol>	<p>Please find pointwise reply to your queries as below:</p> <ol style="list-style-type: none"> <li>1. As per Rule 18(6) of SEZ Rules, the SEZ unit may undertake manufacturing services for overseas entity.</li> <li>2. Any new activity undertaken by the unit must be approved and included in its Letter of Approval (LOA). So please ensure the LOA is updated with specific activity before undertaking such activity.</li> <li>3. The export of services by SEZ unit is permitted without payment of taxes under cover of LUT, upon fulfilment of conditions outlined in Section 2(6) of the IGST Act, 2017.</li> <li>4. As per Rule 53(B)(c) of SEZ Rules, 2006, the CIF value of goods/services received free of cost would be included in calculation of NFE.</li> </ol>
122	<p>Whether fees paid to IFSCA qualifies for GST exemption.</p>	<p>We understand that the unit is an IFSC unit intending to pay applicable fees to the IFSC Authority. Since these fees are used for authorized operations, the benefit of zero-rating may be availed for this service under entry no. 67 - "Management and business consultant services" of the default list of services.</p>
123	<p>Kindly guide us on the reporting requirements with regards to "Investments made" in MPR by an Alternative Investment Fund set up in GIFT SEZ.</p>	<p>Investments made by units (both FDI and Non-FDI) within the zone must be reported under the investment details of the MPR. Accordingly, it is advised that the unit may assess the nature of Alternate Investment Funds and report them under the appropriate category.</p>
124	<p>We have a unit in SEZ Mumbai and have decided to set up a data center in this SEZ unit, which will also be used by our DTA units in Pune. It is permitted by the Development Commissioner to share the data center from an SEZ unit to DTA units in other cities. Please clarify under which rule does this fall and what must the DTA unit and SEZ unit comply with.</p>	<p>As per Rule 27(5) of SEZ Rules 2006, an SEZ unit may import or procure from DTA, all types of goods and services, without payment of duty, taxes of cess for creating a central facility for use by Units in SEZ and where such facility is created for software development, the same may also be accessed by software exporters of DTA. This rule permits sharing of infrastructure facilities subject to conditions.</p> <p>Further, as per Rule 15 of SEZ Rules, 2006, it is advisable to inform the Approval Committee about sharing of common infrastructure facilities between SEZ and DTA units, as part of SEZ operations. Additionally, the Approval Committee supervises SEZ units and might ask for reports on SEZ's operations, including use of shared facilities. To be compliant, it is suggested to keep the Committee updated on the use of shared facilities.</p>
125	<p>Is an EOU exempt from making MSME supplier payments within 45 days. If payment is made after 45 days, will it be disallowed in current FY expenses.</p>	<p>The requirement to make payments to MSMEs within 45 days is specified in Section 15 of the MSME Development Act, 2006. The Act does not provide any separate exemption for EOUs. Additionally, as per Section 43B(h) of the Income Tax Act, deductions for payments made to MSMEs are only permitted when the payment is actually made.</p>

126	We manufacture and export Automated Bank Note Dispensers (CDs), ATMs, Self-Serve Checkouts (SSCO), and their parts to numerous countries. To meet global customer demands for "LIVE CURRENCY TESTS" on ATMs before export, we plan to import foreign currency notes and coins valued between \$500 and \$2000 for testing purposes. We seek advice on the procedure for importing foreign currency into India	We understand that the unit intends to use foreign exchange for testing purposes. In this context, please note that the unit can obtain foreign currency from any passenger permitted to bring any amount of foreign currency into India without limit. However, a Currency Declaration Form (CDF) must be completed if the total value of foreign currency notes exceeds US \$5,000 or its equivalent. Alternatively, you may obtain the foreign exchange from any authorized forex exchanger and use it for testing purposes.
127	In furtherance to below query, please note that we are located in NSEZ and regularly handle merchant export shipments from Subco China to other countries, paying freight charges to a forwarder in India from our SEZ. The Indian forwarder issues freight invoices with IGST at 18% based on services provided in China. We would like to know if our unit is eligible for zero-rated benefit.	Since the service is procured by the SEZ unit from the Indian forwarder, it falls under the scope of Section 16 of the IGST Act, which pertains to supplies made to SEZ units. Consequently, the default list of services for authorized operations must be consulted to determine if the service is considered an authorized service. The procurement of forwarding agent services is included under entry no. 11 as "Clearing & forwarding agents services." Therefore, the service invoices received by SEZ units for forwarding agent services qualify for GST exemption.
128	Refer to notification no. 71/2023, granting SEZ units exemption from the applicability of QCO issued under the BIS Act on import of inputs, subject to Para 2.03(c) of FTP. We are a manufacturing SEZ unit importing steel and other inputs for manufacturing export products and selling to EOUs. The scrap generated from manufacturing is sold in DTA. We currently do not have BIS licenses due to this exemption. We seek your advice on the following points:  1. Can Customs authorities stop scrap sales in DTA, if so, does it mean SEZ units must obtain QCO (BIS licenses) for the import material. The notification states that SEZ units are exempt from mandatory QCOs provided no DTA clearance of such inputs or goods manufactured from them is allowed. Since we are selling scrap, not imported inputs or finished goods, we believe this restriction should not apply.  2. Can Customs authorities stop FG sales to EOU units.	BIS exemption is allowed only to physical exports and not to deemed exports. In case the unit is importing goods for any supply other than physical export is liable to obtain BIS certification on imports.
129	We have imported duty-free raw materials as advised by our foreign customer. However, the project has been cancelled. Now, the customer is insisting that we sell the raw materials to a SEZ unit. Please advise if we can sell the duty-free raw materials from our EOU to SEZ unit without paying duty.	As per para 6.14 (a) (i) of FTP, 2023 read with Notification No. 52/2003, an EOU may transfer unutilized raw material to SEZ units under zero-rated benefit.
130	How to apply for in principle exit from SEZ scheme. What is application process and how to get approval.	As per Rule 74 of SEZ Rules, 2006 (Exit of Units), the unit may opt of SEZ with approval of DC subject to payment of applicable duties. The unit shall execute a legal undertaking in Form L.
131	Could you please share the format of filing APR.	The format of APR for EOUs has been prescribed in the LUT at Appendix-6E to HBP, 2023 as Annexure IV. The same was enclosed.

<p><b>132</b></p>	<p>As per notification dated 21st November 2016 (G.S.R. 1094(E)), SEZs can submit the APR within 180 days. This notification was issued under the powers conferred by section 55 of the SEZ Act, 2005, and further amends the SEZ Rules, 2006. Is there a similar notification that allows EOUs to file their APR within 180 days.</p>	<p>According to Appendix-6E (Form of Legal Agreement for EOU/EHTP/STP/BTP) point no. 6, EOUs must file their Annual Performance Report (APR) within 90 days following the end of the financial year. For your convenience, the relevant section is provided below for quick reference.</p> <p>6. The Unit shall after the commencement of production/operation, submit to the concerned Development Commissioner, quarterly performance report in the prescribed format at ANNEXURE-III for the period ending March/June/September and December every year within 30 days of the close of quarter through e-mail giving details of the imports/exports effected and purchases made from the Domestic Tariff Area by the Unit during the period. An annual performance report shall also be submitted in the prescribed format given at ANNEXURE-IV within a period of 90 days following the close of financial year failing which further imports and DTA sale will not be permitted. Annual Performance Reports shall be certified by a Chartered Accountant/Cost Accountant. In case of wrong submission of such information or failure to submit such information within the stipulated time, DC may withdraw the permission granted to the unit for operation. They shall also submit a copy of QPR/APR to Jurisdictional AC/DC of Customs/GST.</p>
<p><b>133</b></p>	<p>This is regarding EPR registration for battery waste management. Is EPR registration mandatory for bulk consumers (such as STP units). As an IT-ITES company, we import goods for captive consumption and not for resale. Please guide whether we fall under this condition and need to obtain EPR registration for battery waste.</p>	<p>The notification is issued to highlight the amendments in light of re-notification of "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012 as Electronics and Information Technology goods (Requirement of Compulsory Registration) order, 2021 under BIS Act 2016. According to Para 3 of said notification, the import of electronics and IT goods, whether new or second-hand, is prohibited unless they are registered with the BIS and comply with labeling requirements. Specific exemptions may be granted by the Ministry of Electronics and Information Technology (MeitY) for certain consignments. Goods not meeting these requirements will either need to be re-exported or will be deformed beyond use and disposed of as scrap by Customs Authorities, with notification to MeitY.</p> <p>Accordingly, the unit needs to check its eligibility basis the type of goods imported and the new Electronics and IT goods order, 2021.</p>
<p><b>134</b></p>	<p>This is regarding the Notification No. 13/2024-25 dated 20 May 2024. We need clarification on point 3, policy condition no. 2 (chapter 84), and policy no. 5 (chapter 85) of the import policy. Is the STP unit exempt from the requirement of compulsory registration for importing electronics and information technology goods for production.</p>	<p>The notification is issued to highlight the amendments in light of re-notification of "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012 as Electronics and Information Technology goods (Requirement of Compulsory Registration) order, 2021 under BIS Act 2016. According to Para 3 of said notification, the import of electronics and IT goods, whether new or second-hand, is prohibited unless they are registered with the BIS and comply with labeling requirements. Specific exemptions may be granted by the Ministry of Electronics and Information Technology (MeitY) for certain consignments. Goods not meeting these requirements will either need to be re-exported or will be deformed beyond use and disposed of as scrap by Customs Authorities, with notification to MeitY.</p> <p>Accordingly, the unit needs to check its eligibility basis the type of goods imported and the new Electronics and IT goods order, 2021.</p>



<p><b>135</b></p>	<p>While referring to "Section 11 of Chapter V – SPECIAL ECONOMIC ZONE DEVELOPMENT COMMITTEE" of Gujarat SEZ Act, 2004, we understand that Gujarat Shops and Establishment Act (as amended) is not applicable to those units which are, set-up and registered in SEZ demarcated area since area of the zone falls outside the purview of municipality limits. Please confirm whether the Gujarat Shops and Establishment Act applies to SEZ-registered units.</p>	<p>According to Appendix-6E (Form of Legal Agreement for EOU/EHTP/STP/BTP) point no. 6, EOUs must file their Annual Performance Report (APR) within 90 days following the end of the financial year. For your convenience, the relevant section is provided below for quick reference.</p> <p>6. The Unit shall after the commencement of production/operation, submit to the concerned Development Commissioner, quarterly performance report in the prescribed format at ANNEXURE-III for the period ending March/June/September and December every year within 30 days of the close of quarter through e-mail giving details of the imports/exports effected and purchases made from the Domestic Tariff Area by the Unit during the period. An annual performance report shall also be submitted in the prescribed format given at ANNEXURE-IV within a period of 90 days following the close of financial year failing which further imports and DTA sale will not be permitted. Annual Performance Reports shall be certified by a Chartered Accountant/Cost Accountant. In case of wrong submission of such information or failure to submit such information within the stipulated time, DC may withdraw the permission granted to the unit for operation. They shall also submit a copy of QPR/APR to Jurisdictional AC/DC of Customs/GST.</p>
<p><b>136</b></p>	<p>Any assistance on EUDR, DDS documents (Due Diligence Statement) by any government agencies</p>	<p>In our limited knowledge on the subject, we understand that the European Union Deforestation Regulation (EUDR) aims to minimize the EU's contribution to global deforestation and forest degradation by regulating the availability and export of certain commodities and products linked to these issues. Effective from 29 June 2023, with main prohibitions starting on 30 December 2024, the EUDR mandates that relevant products (such as palm oil, soya, wood, cocoa, coffee, cattle, and rubber) must be deforestation-free, legally produced, and accompanied by a Due Diligence Statement (DDS). The DDS requires EU operators and traders to provide traceable and verifiable information about the origin of these commodities, ensuring compliance with the regulation.</p>

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## Sector Wise Goods Exports

(in Mn USD)

Rank	Zone	F.Y. 2023-24	Jun-23	Jun-24	Growth (%)	Apr-June 2023	Apr-June 2024	Growth (%)	% Share
1	Petroleum Products	25,820	2,173	1,834	-16%	6,333	6,310	0%	38.2%
2	Engineering Goods	8,927	632	942	49%	1,839	3,166	72%	19.2%
3	Drugs and Pharmaceuticals	6,266	566	596	5%	1,580	1,828	16%	11.1%
4	Gems and Jewellery	6,572	342	593	73%	1,165	1,521	31%	9.2%
5	Organic and Inorganic Chemicals	6,844	412	300	-27%	1,098	1,396	27%	8.5%
6	Others	3,440	350	319	-9%	640	1,008	57%	6.1%
7	Electronic Goods	1,852	160	142	-11%	415	441	6%	2.7%
8	Plastic and Linoleum	838	70	73	5%	209	243	16%	1.5%
9	Leather and Leather Manufactures	579	51	47	-8%	154	140	-9%	0.8%
10	Mica, Coal and Other Ores, Minerals Including Process	302	12	51	322%	82	88	7%	0.5%
11	RMG of all Textiles	359	28	25	-11%	95	72	-24%	0.4%
12	Tobacco	192	9	19	113%	36	54	48%	0.3%
13	Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	227	14	16	13%	49	53	7%	0.3%
14	Man-Made Yarn/Fabs./Madeups Etc.	184	14	15	9%	42	48	15%	0.3%
15	Ceramic Products and Glassware	98	9	7	-21%	24	23	-7%	0.1%
16	Handicrafts Excl. Hand Made Carpet	121	15	7	-55%	33	22	-34%	0.1%
17	Marine Products	83	7	4	-37%	24	18	-24%	0.1%
18	Cereal Preparations and Miscellaneous Processed Item	76	6	5	-25%	19	17	-9%	0.1%
19	Coffee	73	6	6	4%	18	16	-8%	0.1%
20	Tea	45	3	4	31%	9	11	28%	0.1%
21	Spices	36	3	3	-21%	8	10	30%	0.1%
22	Fruits and Vegetables	64	5	4	-22%	22	8	-62%	0.1%
23	Jute Mfg. Including Floor Covering	23	2	2	-12%	5	6	7%	0.03%
24	Cashew	9	1	1	7%	1	2	105%	0.01%
25	Meat, Dairy and Poultry Products	3	0	0	33%	1	1	47%	0.01%
26	Oil Meals	9	1	0	-93%	3	1	-77%	0.00%
27	Oil Seeds	1	0	0	-46%	1	0	-61%	0.002%
28	Other Cereals	1	0	0	94065%	0	0	-75%	0.000%
29	Rice	0	0	0	-	0	0	-	0.000%
30	Carpet	0	0	0	-	0	0	-	0.000%
31	Iron Ore	0	0	0	-	0	0	-	0.000%
<b>GRAND TOTAL</b>		<b>63,044</b>	<b>4,891</b>	<b>5,015</b>	<b>3%</b>	<b>13,905</b>	<b>16,503</b>	<b>19%</b>	<b>100%</b>

# About Us

Export Promotion Council for EOUs & SEZs (EPCES), is a multi-product Export Promotion council, set up by the Ministry of Commerce and Industry in January 2003, represents interest of SEZ units, developers, and Export Oriented Units. As of 31.03.2024, EPCES has 5971 members, including 4629 SEZ units, 384 SEZ developers, and 958 EOUs. In FY 2023-24, SEZs exported goods and services worth \$157.34 billion, accounting for 20.2% of India's total exports. Goods exports from SEZs were \$63.04 billion (14.4% of India's total goods exports of \$437.06 billion), and services exports were \$94.3 billion (27.8% of India's total services exports of \$339.62 billion). Approximately 5700 units operate in 278 SEZs, employing 29.84 lakh people with a total investment of about ₹6.7 lakh crore.

## Key Achievements

- Refund of Duties and Taxes on Export Products (RoDTEP) scheme has been extended to SEZs and EOUs vide notification No 70/2023 dated 8.3.2024. For EOUs, it is effective 11.3.2024 as EOUs are already integrated with ICEGATE. In case of SEZs, the scheme will be effective on IT integration of SEZs with ICEGATE with effect from 1.7.2024.
- Mandatory Quality Control Orders issued by M/o Steel, M/o Textiles, D/o for Promotion of Industry and Internal Trade and D/o Pharmaceuticals and Chemicals have been exempted for imports by SEZs and EOUs for exports purposes vide DGFT notification No 71/2023-24 dated 11.3.2024.
- IT/ITES SEZs can now serve the Domestic Tariff Area by demarcating non-processing areas under new SEZ Rule 11B (Vide Notification No. GSR 881(E) dated 6.12.2023). Clarifications have been issued vide Instruction No. 115.
- SEZ units have been exempted from the Safeguard Quantitative Restrictions imposed on import of Isopropyl Alcohol vide DGFT Policy Circular 4 dated 31.8.2023.
- Department of Commerce vide letter dated 3.10.2023 has clarified that Zero-rating benefit for lease rentals and charges for employee welfare facilities in SEZ units will continue.
- SEZ units and EOUs have been exempted from obtaining a "restricted import authorization" for IT hardware imports for captive use, as per Notification 23/2023 and DGFT Policy Circular No. 6 dated 19.10.2023
- DGFT, vide Notification No 56/2023 dated 1.1.2024, amended Para 2.31 of the FTP giving special exemption from restrictions to movements of used IT assets (Laptops, desktops, monitors, printers) from SEZ to DTA
- IT/ITES developers and SEZ units have been allowed to install rooftop solar power plants with fiscal, benefits for captive/common use
- GST council has, on 22.6.2024, recommended exemption from Compensation Cess on imports by SEZ units/ developers.

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